

Personal Debt Elimination Testimony

Sometime in 1999, after a conversation with my Dad, it became clear to me that I needed to improve my relationship with God. The best way to improve a relationship with someone is to spend time with them, so I started to get up an hour early in the morning and spend the first hour of my day with Him. I read the Bible and laid on my couch and prayed and praised Him and just enjoyed His presence for the first half hour and then watched a Christian program on TV for the last half hour. The preacher that I watched started a 3 week teaching on debt freedom on November 24, 1999; I still have the original recordings.

When I got the revelation that being debt free was part of God's plan, things really started to change. Several Bible verses really penetrated my spirit and became my motivation to get out of debt.

Romans 13:8a - **Owe nothing to anyone** except to love one another.

Proverbs 22:7 - The rich rules over the poor, And **the borrower is servant** to the lender.

Matthew 6:24 - "**No one can serve two masters**; for either he will hate the one and love the other, or he will be loyal to the one and despise the other. **You cannot serve God and mammon (money).**"

That last verse is what really got me. My conclusion was that debt inhibits us from fully serving God. Have you ever had two bosses at your job? Most people I have talked to about that experience tell me it is horrible. You cannot make both happy.

Some of you may also be thinking, "Does God really expect us to stay out of debt? Surely he couldn't have meant owe nothing, especially in this day and age. We seem to do that a lot. One of Satan's tactics in stealing, killing and destroying us is to get us to question God's word. When Satan approached Adam and Eve the first thing he did was get them to question God's Word: "Did God say...?".

We don't want to question God's word but instead study it carefully when things don't make sense to us, because it contains the truth and shows us how to have a life pleasing to God and He wants what is best for us too. We must also be careful not to make a religion or get guidance from a few verses without understanding the totality of scripture. Like a depressed man I heard of once who finally cried out to God one evening in a hotel room and asked what do you want me to do with my life? He opened the nightstand drawer and found a Gideon Bible and decided to close his eyes and open and point to a verse for direct guidance from God. The first verse he pointed to was, Judas went and hung himself. He thought that can't be right, so he tried it again and pointed to "Go, and do likewise". As you can see, just grabbing at scriptures can be devastating.

When we go into debt, we are basically telling God that we are unavailable for the next 30 years. We must maintain our current income, health and time involved at work because of our commitment to this new debt. We want to be good stewards, you know?

When I decided to get out of debt and to never go in debt again, we had just bought our first home in Cambridge and owed over \$80,000 and we had a lease on a vehicle that we were locked into for about \$15,000. Also, our printing company had \$114,000 in debt. So here we were at 23 years old with nearly \$100,000 in personal and over \$100,000 in company debt.

The minute I decide to get out of debt I received opposition from just about everybody, including my own self. I told my family that we would not be purchasing anything else at the print shop unless we had the cash for it.

Many people told me you can't live life without going in debt, especially for a home or property. Many said they thought it was fine to be in debt as long as it was "good" debt. As long as they owed less than their house was worth and they were getting a good interest rate, it wasn't going to hurt them. The problem with that

philosophy is everything is constantly changing, neighborhoods change, careers change, incomes change, the economy changes and the list goes on and on.

I know of someone who owned a home and then somebody else turned the lot next door into a trash dump! That can have a major affect on the value of your home. I had another person tell me that they had enough money to pay off their home but the money was invested in the stock market. His response was that if you pay off your home loan charging 8% interest, when you can make 15% interest in the stock market was ridiculous. Remember, this was back in early 2000, just before the stock market plunged. I wonder how much he lost due to that decision. If he would have paid off his home, he would have lost nothing.

Well, what happened with us?

Sarah and I put together a cash budget and made a commitment to follow God's word and get out of debt and not make any purchases that we didn't have the cash for. I didn't like being on a budget, I don't know if anyone does – you are denying your flesh and that isn't fun. Sarah wasn't too happy either in the beginning - you can ask her about that. She had lots of questions. Like, how will we ever buy another vehicle? How will we ever buy land and build a home? How will we pay for our kids to go thru college if they want to further their education?

Lots of questions, and honestly, I didn't have the answers. My response was normally, I don't know how, but that's not my problem - my job is to follow God and it is His job to provide for us.

I still have most of our original budget sheets and debt totals for the business and home like what you guys have been compiling throughout the Godly Finances study.

Here are some other things that we did:

First, the cash budget helped us out tremendously. I bought a little cash box for \$20 from staples and divided up the money into sections: Every week when I got my paycheck, we pulled out cash for all our monthly expenses such as:

- 1) groceries/toiletries
- 2) eating out/entertainment
- 3) home decorations or improvements like furniture or appliances, curtains, whatever
- 4) we each had a personal hobby, clothing, and make up budget
- 5) gifts/holidays – budget \$20-30 for birthdays and Christmas
(added all family up) plus more for anniversaries, valentines day, graduations etc. \$50-100.
- 6) misc fund for whatever, Dr. co-pays, medicine, vitamins, contacts, etc.

Once the cash was gone for that week or month, there was no more spending until the next paycheck. Paying with cash really helped us with overspending compared to when we used our credit card. We also were more selective with what we purchased. Something interesting happens when you lay out cash for a purchase and you know how long it took to save it up.

Before this budget, we used to “track” each others spending to justify being aloud to spend ourselves. For example, I remember buying a \$300 TV early in our marriage. Then a few weeks later, when we in a clothing or jewelry store, Sarah reminded me about that purchase when I told her I didn't think it was wise for her to buy something.

Once we started the cash budget, we each had our own money for whatever we wanted to buy and didn't have to feel guilty about spending it. Another neat thing happened, our hobby/clothing money became a contest between each other – instead of constantly spending money, we started to hoard it to see who had more! We would constantly ask each other, how much do you have in your hobby money.

To help pay off debts faster, Sarah and I worked extra hours at the print shop in the evenings doing jobs the other employees didn't want to do. We spent many nights collating newsletters and booklets together.

One thing we did differently than most financial counselors recommend is we didn't worry about putting money in an emergency fund while trying to get out of debt. My philosophy was that if we pay off our bills and a **true** emergency comes along (most of the time when someone has money sitting around they can find a reason to spend it on something that really isn't an emergency), we can always use the next credit card offer or even better, get a home equity loan from the principle we have been paying off. We always made better interest paying off debt faster than what we could make in a bank savings account. If I had an extra \$1,000 it was going to save us 7% interest on our home loan and only earn 3% interest in a savings account. Banks are willing to lend when they see you have equity. We never did have to tap into any of those resources though.

Another key verse for us during this time was Proverbs 3:5-6. Trust in the Lord with all your heart and lean not on your own understanding; in all your ways acknowledge Him and He will direct your paths. We felt we were trusting in God and not leaning on our understanding, because making this decision to get out of debt as fast as possible and never go back was contrary to the world's system. So our next step was to acknowledge Him knowing that He would direct our paths.

First, as I mentioned earlier, I talked with everybody about what I had learned and tried to convince them to get out of debt. Second, we started acknowledging God more at the print shop. Every employee received a Bible with an inscription on the front that said, Carbonless Forms, Inc., Operations and Personnel Manual. Also, we bought all the employees company shirts that had our name and a Bible verse under it that said "with God all things are possible", Matthew 19:26. The day I handed out the Bibles and read some passages to the employees, one of them plopped the Bible on my desk and quit, saying she didn't sign up for a Bible study when she came to work for us. That was an unexpected bonus because she was our biggest problem employee at the time.

We continued doing all the above for over a year, paying down our debts as best we could, and then something miraculous happened! On January 2nd, 2001, our first day into work that year, I received a call from one of our biggest competitors in Illinois. He told me that he was losing money and shutting down his print shop effective immediately. He had sent a mass fax to all his customers saying that he was out of business and wanted to know if we wanted to "buy" his existing customer base and all his files and try to get the customers to switch to us.

He informed me that he had \$500,000 a year in sales of carbonless forms. We were doing the same amount in carbonless forms but that was only half of our business because we also printed on paper and card stock.

I asked him what he would sell his customer list and files for – his response - only \$30,000! Dad and I discussed it and determined that maybe this was too good to be true. We couldn't understand why he would be selling so cheap. We thought it might be a scam or that he may have burned bridges with his customers and we weren't interested unless he helped us out by making sure we were able to get those customers to switch to us. He really wasn't interested in any additional work, so we just let it go.

Later that week I got another call from him and he is ticked because all the other printers he made the offer to thought it was too good to be true also so nobody took him up on his offer. He told us he would reduce the price to \$10,000! Dad and I decided it was now worth the risk and headed to Illinois that weekend. We packed up a whole van full of files and sent a mass fax to all his customers stating that we had bought out his business and had all their files, had better pricing and also had additional product lines for them to buy.

We were an instant hit! We doubled in sales overnight. On top of that, he was paying 25% less for paper than we were, so we went to our paper supplier and told them we were doubling in sales and we expected the same prices and of course they matched them.

So literally overnight our sales as well as our profit margins doubled! This kind of stuff doesn't happen coincidentally!

To make a long story short, the shop was out of debt 6 months later in June of 2001 and we paid off our home in March of 2002, 27 months after making a commitment to God that we would get ourselves out of debt and never return.

My conclusion is this: You can NEVER go wrong by following God's word!

God's word is the only thing I can think of in this world that does NOT change. Have faith in God!

Keep in mind that God is not moved by need, He is moved by faith. Hebrews 11:6 says that it is impossible to please God without faith and Romans 14:23 says that anything done apart from faith is sin. Faith causes you to follow and acknowledge God, even when your circumstances tell you that you would be a fool too.

Psalms 118:8 - It is better to trust in the Lord, than to put confidence in man.

1 Corinthians 3:18 - Let no one deceive himself. If anyone among you seems to be wise in this age, let him become a fool that he may become wise. For the wisdom of this world is foolishness with God.

After thinking back on this experience, I noticed several things.

1st, I heard the word of God (truth).

2nd, I believed it in my heart. (belief)

3rd, I acted on it by making many life changes – application of the word. (faith = corresponding actions)

4th, I acknowledged God by telling many people about our decision and what the Bible said. I talked about getting out of debt with just about everyone I came in contact with. I can only remember one person “siding” with me on the issue, but I told people nonetheless. I think that is a huge factor in faith - that you tell others what you believe, regardless of their opinion or ridicule. Romans 10:10 says, “for with the heart one believes unto righteousness and with the mouth confession is made unto salvation”.

5th, God honored that and helped us achieve **His goal** for us in many ways. He directed our path!