

Series: Becoming a Savvy Investor: Managing Debt

VBC

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Luke 19:11-26

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“Nothing From Nothing Leaves Nothing”

Reflecting around the table, when things were tighter, Burger King came to our rescue

- Customers willing to say “Whopper beats a Big Mac” were rewarded with a free burger

We’re thankful those days are over, but the need to manage wealth has not changed

- That’s what this brief mini-series is about
- For the reality is, many of us are not good managers
- Which goes against the heart of God, will leave us poor in heaven

In another parable, we learn the same truth (Luke 19:11-26)

- Jesus is headed for Jerusalem
- And there is high expectation in the air (verse 11)
- The followers were thinking that Jesus’ kingdom was imminent
 - And all of its benefits: freedom, joy, peace, abundance were about to be theirs
- But Jesus interrupted all of this with a story, one that would clarify, correct their misperceptions
 - Both about His future, and theirs
- Let’s look at it again (read verses 11-13)
 - It was a significant amount, approximately \$12,000 each in today’s currency that they were called to “put to work”
 - Read verses 14-15
 - While no one knew the extent of his absence, there came a day for an accounting
 - Read verses 16-21
 - Some were really smart, some were not
 - Some gave a report, some gave excuses
 - Read verses 22-26
- So where is this going?
 - Behind every parable is a spiritual truth
 - Look hard and we find Jesus and ourselves
 - Jesus is the nobleman, going to a distant kingdom called heaven
 - And sooner or later, He will return as the King of kings
 - But in the meantime, between His leaving and His return, He has assigned assets, gifts, opportunities to His followers to do business with

- And though the extent of His absence is uncertain, one thing is for sure
 - There will be an accounting
 - All of us will one day stand to give a report for the choices we have made with everything He has given

- WE ALL HAVE SOME OPTIONS

A) WE CAN INVEST AND END UP RICH

- We can choose to take risks, invest what we have
 - Look for ways to multiply assets, further the Master's estate
 - It will require a mindset that says life is about investment. not merely saving, not consumption
 - It will require faith and courage
 - As we saw last week, these include:
 1. Paying attention to S-CURVES, when to get on, get off

Illustration - Friend whose father-in-law kept putting his earnings back into his travel agency, lost everything

2. Allowing money to COMPOUND in the best possible places, while leaving it alone

3. LEVERAGING by wisely using other people's money

4. Paying attention to what REPEATS

- Some of us may choose to do this in exceptional ways, such that the assets will have a significant return
 - Using the assets to invest in God's kingdom
 - And as verse 17 notes, our faithfulness will be rewarded
 - A disproportionate reward for sure
 - Because this is something God loves to do
 - HE LOVES TO BE GENEROUS WITH THOSE WHO ARE FAITHFUL

On the other hand,

B) WE CAN HOLD ON AND END UP WITH NOTHING

- Play it safe, put it in a mattress, avoid risk, do nothing-like the foolish steward
- And face this, God's severe judgment
- That in His kingdom there is the operative principle: USE OR LOSE!

But there is an even more dangerous option

C) WE CAN CONSUME AND END UP IN DEBT

- We can take what God has given and neither invest nor hide, but spend it all on ourselves, and overspend in the process
 - And if statistics are true, this is by far the most popular option in our society
 - Thanks to a culture steep in spending, we are presently \$ 2.162 trillion in consumer debt (i.e. credit card, auto loan, and other consumption debt)
 - If you divide this figure by the number of people in our nation, it equals out to \$7000 dollars per living man, woman, child
 - The average family has 17 payment cards
 - And card debt alone is over \$9000 per family unit (double what it was 10 years ago)
 - The result is that our nation has the dubious honor of being first in the world in personal bankruptcies
 - So many of us are presently in debt that in the NW, 60% of people have a credit rating no higher than 600
 - And 600, in academic terms, is an F
 - If most of us are flunking, perhaps it is because there are some things about debt we have not yet learned
- SOME FACTS ABOUT DEBT
- And when we say debt, we should differentiate, for not all debt is the same
 - Like cholesterol, there is good debt and bad debt
 - 1) Good debt: CAPITAL DEBT - the money we borrow to generate, increase assets/productivity (like home loans, business loans, student loans)
 - Debt for a possession that is worth MORE than we owe (like a home)
 - 2) Bad debt: CONSUMER DEBT - the money we borrow to pay what we are consuming (like cars, clothes, iPods, things that deteriorate rapidly, go out of style)
 - The kind of debt that is generally discretionary, unnecessary, and impulsive
 - Debt for a possession that is worth LESS than what we owe
- FACT ONE – DEBT CREATES CERTAIN ILLUSIONS
- That so many of us are in consumer debt suggests we have fallen prey to some fantasies about debt
 - A) THE MONEY IS MINE
 - We can spend as if it is in our bank account

REALITY - borrowed money is not our own, it must be returned one day, with interest

B) I AM RICHER BY GOING INTO DEBT

- I can suddenly have more things
- I can live above my means, like a king, driving financed cars and bank loaned clothes

REALITY - It is all a lie

- I become poorer by going into consumer debt
- I have chosen to live like a king/queen for a year, and like a pauper the rest
- The only ones who become richer are those finding enough fools willing to go into debt

C) USING CREDIT SO LONG AS WE PAY IT OFF EACH MONTH IS SMART

REALITY - Statistics tell us the convenience of it all leads us to spend at least 25% more than we would have if we simply carried cash

- And most do not pay it off anyway
- We forget that behind the plastic is real money, much like a gambler forgets that chips represent real currency

D) A CREDIT CARD IS A RITE OF PASSAGE

- A step into adulthood, like getting a driver's license
- There are plenty of signals that seem to suggest getting a credit card is an achievement
 - Often attached is a letter of congratulations which explains why 1 of 5 bankruptcies are college age
- In our culture, advertisements and mail beg me to borrow, earn extra points, get more and more miles

Illustration - Pat Johnston, Director of New Accounts

- All I have to do is spend
- Or this from Citicorp: an invitation to join them, and by doing so, I will end up in Credit Card Nirvana (DEFINITION - A place that transcends suffering, that liberates us from the realities and cares through the extinction of desires.)

REALITY - It does not lead to Nirvana, but more like Dante's Inferno, to a place where the caving in to cravings leads to great suffering

Point - Cards that lead to debt are not signs of maturity but immaturity

- Not rites of passage, but paths to last rites

- FACT TWO - DEBT HAS SOME SERIOUS CONSEQUENCES

- Let's start with the obvious

A) WE CAN SACRIFICE OUR HEALTH

- Because debt causes stress, and stress kills

B) WE CAN FEED WHAT WE NEED TO BE PUTTING TO DEATH

- Easy access to credit, encouragement towards debt feeds into the very things Christ in His saving work aims to put to death

- Greed, consumptive behavior

- Lust, the want for more

- Addictive behavior, possession obsession

- Idolatry, entering into the cult of the next thing

- With its deep rooted liturgy: "Charge it, no payments till 2008"

- And its shrines, superstores, warehouses

- And its sacraments, credit cards

- ALL OF WHICH ARE CORROSIVE TO THE SOUL

- Pride, it appeals to my need to feel trusted with large amounts of money

- We're rewarded with statements telling us our credit limit has expanded

- Which is like saying to one desperately overweight, "Here's a gift certificate to Sam's All-You-Can-Eat"

C) WE CAN ENTER INTO DEEP BONDAGE

- This is where debt leads many, we become an indentured slave to the debt collector (Proverbs 22:7)

- Here's a scenario that happens all too often

- Buy a car for \$22K, it is worth \$18K before you get home

- It depreciates to \$15K by end of first year

- Meanwhile, you've taken out a loan, that front loads the interest
- So you end up actually paying only \$2,000 for the car the first year
 - So the gap between what you owe and what the car is worth is \$5,000
 - Then you buy a new car, and roll over your old loan, the negative equity into a new car
 - And next year you do it again, and now you have a car worth \$15,000 and a loan of \$41,000 that is killing you with interest and pushing you towards bankruptcy
 - Only the laws have changed, you can no longer end up debt free
 - You still owe, but someone now is in charge of your assets
 - With the power to repossess and attach liens and force you into the streets

- This is the bondage many are in, which is almost criminal, certainly a great evil

D) WE CAN HINDER OUR TESTIMONY

- Debt can tell the world that our God is not big enough to satisfy our needs
- That Christ does not change our consumptive nature

But here's the worst

E) WE CAN END UP MORTGAGING THE FUTURE TO LIVE IN THE PRESENT

- That's the warning of the parable
- The choices in this life have everything to do with eternity
- We can secure it, or sacrifice it
 - Not our destination, but our rewards
 - Not whether we will be saved, but whether we will reign with Him
- My guess, nothing interferes with being generous towards the things of God like debt

- FACT THREE - ONE CAN ESCAPE DEBT

- In fact, we must. But how?

1) WE CAN GET SMART

- Exercise some simple common sense
- If you can't afford it today, you can't afford it tomorrow with interest
- Use or lose
- Easy come / Easy goes
- Seminars, LIKE GOOD SENSE

2) WE CAN GET OUT

- Proverbs says this, "to the man who has placed himself in bondage to a creditor, allow no sleep, free yourself like a gazelle" (Proverbs 6:1-6)
 - Whatever means it takes
 - Beginning not with debt consolidation
 - But with me!
 - With repentance
 - With simplifying, shifting habits, staying away from malls, ads, catalogues
 - Performing plastic surgery on your credit cards if necessary
 - Letting God perform the greatest surgery of all, on the heart
 - Letting Jesus be Lord, Master of all that we have

One of saddest experiences

- Couple imploding
- Looking for comfort through buying of more things
- And missing the mark of investing

NEXT WEEK - Managing risk