



RECONCILED FATHERS NETWORK

Helping to Raise the Standard of Fatherhood!

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7 Ways Excessive Debt Can Cripple Your Family Life

In both the Old and New Testaments the Word of God makes it clear that a Godly man pays his debts. Thus, debt is a tool that can be used to help finance purchases or investments that one cannot afford out of his own cash reserves. However, as a tool or vehicle, debt should not be abused. Thus, God's Word also makes it clear that we should not have excessive debt.

You have excessive debt when: (a) your debt is above and beyond your ability to pay it back in a timely and/or agreed upon fashion, or (b) payments take up too large of a percentage of your income which impairs your ability to pay for essentials.

In recent years when the housing market was booming many people financed homes that they could not afford. Thus, homes were lost and credit ratings were ruined when the bubble burst. Un-wise consumers do the same with buying cars, and running up credit cards bills and in maintaining lifestyles beyond their income levels.

God's Word tells us:

Keep out of debt and owe no man anything, except to love one another ... - Romans 13:8 AMP

How Excessive Debt Can Cripple Your Family Life

1. Excessive Debt can rob you of your joy. Not being able to pay your bills can be stressful when trying to make ends meet. The stress robs you of your joy when you cannot handle your payments. When you lose your joy, you play with your children less and you are less patient with your wife. Excessive debt can also hamper your ability to do fun things. Recreation is an important part of life and if you do not have "extra" money, you cannot afford to do those fun things you once took for granted. Going out for dinner or a movie can become a thing of the past. It is no fun watching others enjoy themselves when you are not able to enjoy yourself because of your poor financial judgment.
2. Excessive Debt can limit your ability to provide for the essentials. Struggling for money to buy groceries and other household necessities (or even having to make choices between what you need and what you can afford) can result from not having enough money to live off of and service your debt payments. This means everyone has to do with less because of being saddle with excessive debt.

3. Excessive Debt can eliminate the possibility of owning or maintaining a house. As mentioned earlier, many people in the U.S. lost their homes because of un-wise buying decisions and their inability to maintain an excessive mortgage payment. Others have not been able to ever buy a home because of poor financial management, poor credit rating, and excessive debt burdens. It is so much better to be able to play with your children in the “play room” or backyard than it is to not have either.
4. Excessive Debt can make it impossible to have new clothes and toys. Too often people have used credit to finance their wardrobe and thus have excessive credit card balances and can only pay the minimum payments. When they max-out or lose those cards then their ability to purchase new clothes for themselves and their children - and toys, piano and dance lessons, etc. - is seriously impaired. Shopping for “things” can become an addiction – be careful, or you too could be trapped into this buying with credit obsession.
5. Excessive Debt means lost opportunities. When you owe too much money, you will often have to pass on an attractive opportunity for an investment or purchase when it comes along. That means you cannot buy into a business or purchase a home or car at the right price because too much of your money is going toward servicing debt rather than building up saving and equity. Thus, you are not prepared when opportunity knocks. Additionally, with excessive debt also comes the necessity to work extra hours or an extra job to help pay the bills – which means less time for your family.
6. Excessive Debt can hostage your future. Debt accumulates interest faster and at deeper rates than most investments and savings. Nonetheless, it is more fun to watch your assets grow than to watch your debt burden grow. Your future is at risk if you practice poor financial principles or are in poor financial health. You will spend too heavy a percentage of your future income on debt payments and accumulated interest. Thus, you will be able to spend less on your children’s future (including college, weddings, birthday gifts, etc.) because you have to pay for your past.
7. Excessive Debt can prevent you from serving God. Instead of being free to serve God and give or yourself, you might have to spend too much time chasing money to pay your bills. We should see excessive debt as a tool of the enemy. The devil wants us in debt so we will be crippled in our families and in our ministries. Don’t fall prey to the schemes of the devil, practice sound and Godly financial principles.

This short entry on crippling excessive debt is by no means a complete analysis on the subject. However, it is meant to give some food for thought.

We will write more on this subject in the future.