

“WHO THEN IS THE FAITHFUL AND WISE MANAGER?”

A Biblical Vision for Financial Stewardship

Presenter: Joseph Elliotson

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Session 4: Indebtedness

Indebtedness

Key Issues:

1. What is debt?
2. Is debt good, bad or neither? Sinful or amoral? Does it depend on the circumstances or personal judgment?
3. Why is debt good/bad/sinful/amoral?
4. How do I practically apply God's wisdom in this area?

1. What is Debt?

Simple in concept, right? Per Oxford & Webster's dictionary:

- Debt (noun): something that is owed
- Owe (verb): to be under obligation to pay/repay in return for something received

Original Root of "Debt" (www.dictionary.com)

- *dēbēre* – to owe, contraction of *dēhabēre*
- *dēhabēre* – *dē-* "away" + *habēre* "to have, possess"; originally, "keep something away from someone"

1. What is Debt?

New Testament Usage

- By far the most commonly used word in the New Testament relating to debt is **G3784 ὀφείλω** “to owe”
 - ὀφείλω (verb) – to heap up (i.e. to accumulate or benefit)
 - ὄφελος (noun) – advantage, gain, profit
- To owe (to become indebted) = to accumulate for oneself a value that belongs to another (which implies the other’s right to it).

1. What is Debt?

Counterargument

Does timing make a difference? Is debt:

1. The obligation to repay when due? (e.g. monthly payment)
2. Any value received that will require repayment regardless of when it becomes due? (any outstanding balance)

1. What is Debt?

Perspective: Charles G. Finney, American Revivalist

“We do not properly owe an individual until we are under an obligation to pay him. Whenever he has a right to demand the pay, we have no right to withhold it.

There may be such a thing as contracting a prospective debt, giving your obligation to become due at a certain time. But then you do not properly owe, because you are under no obligation to pay till it becomes due. But whenever it becomes due you are bound immediately to pay it.”

From *The Oberlin Evangelist* (a publication of Oberlin College), July 31, 1839, Lecture XIII, BEING IN DEBT, by the Rev. Charles G. Finney (1792-1875). Retrieved from www.charlesfinney.com

2. Is Debt Acceptable?

Group Discussion:

1. Is debt good or bad? Neither?
2. Does its acceptability depend on the circumstances?
3. Is it sinful or amoral?
4. Is it a disputable matter that depends on personal judgment?

2. Is Debt Acceptable?

1) General Biblical Exhortation

- There are around 30 passages on debt (by my count).
- Without exception, none encourage borrowing.
- All of them express the undesirability, risks, burden, distress, vulnerability, slavery and curse associated with debt.
- Instruction:
 - “Owe no one anything, except to love each other” (Rm 13:8a)
 - “Be not one of those who give pledges, who put up security for debts. If you have nothing with which to pay, why should your bed be taken from under you?” (Prb 22:26-27)
- Slavery:
 - “The borrower is the slave of the lender.” (Prb 22:7b)

2. Is Debt Acceptable?

1) General Biblical Exhortation

- Blessings & Curses (Dt 28)
 - “12 The Lord will open to you his good treasury, the heavens, to give the rain to your land in its season and to bless all the work of your hands. And you shall lend to many nations, but you shall not borrow.”
 - “15 But if you will not obey the voice of the Lord your God or be careful to do all his commandments and his statutes that I command you today, then all these curses shall come upon you and overtake you...44 He shall lend to you, and you shall not lend to him. He shall be the head, and you shall be the tail.”
- Vulnerability:
 - “Will not your debtors suddenly arise, and those awake who will make you tremble? Then you will be spoil for them.” (Hab 2:7)

2. Is Debt Acceptable?

2) God's Use of Debt

- No biblical instances of God using debt as a means of provision. The only questionable passage is 2 Kings 4:1-7 (over).
- This is significant: among all the various ways God uses to provide for people in need, debt is not one of them.
- This is consistent with God's discouragement of using debt.

Is debt good or bad? The simple, plain reading of the Bible communicates that debt is bad and to be avoided.

2. Is Debt Acceptable?

2 Kgs 4 “1 Now the wife of one of the sons of the prophets cried to Elisha, “Your servant my husband is dead, and you know that your servant feared the Lord, but the creditor has come to take my two children to be his slaves.” 2 And Elisha said to her, “What shall I do for you? Tell me; what have you in the house?” And she said, “Your servant has nothing in the house except a jar of oil.” 3 Then he said, “Go outside, ***borrow vessels*** from all your neighbors, empty vessels and not too few. 4 Then go in and shut the door behind yourself and your sons and pour into all these vessels. And when one is full, set it aside.” 5 So she went from him and shut the door behind herself and her sons. And as she poured they brought the vessels to her. 6 When the vessels were full, she said to her son, “Bring me another vessel.” And he said to her, “There is not another.” Then the oil stopped flowing. 7 She came and told the man of God, and he said, “Go, sell the oil and ***pay your debts***, and you and your sons can ***live on the rest.***””

2. Is Debt Acceptable?

3) Implications of Lending

- How is lending relevant?
- On the one hand, borrowing can't occur without lending, they are two sides of the same coin. Thus, biblical guidance on lending has implications on borrowing.
- On the other hand, since the act of lending is very distinct from the act of borrowing, it is very important that the two are not confused when discerning biblical guidance concerning either one.

2. Is Debt Acceptable?

3) Implications of Lending

	Lending	Borrowing
Instruction	“Do not refuse the one who would borrow from you” (Mt 5:42) “if one of your brothers should become poor...open your hand to him and lend him sufficient for his need” (Dt 15:7-8)	“Owe no one anything” (Rm 13:8)
God’s favour	“the Lord your God will bless you, as he promised you, and you shall lend to many nations, but you shall not borrow” (Dt 15:6)	“All these curses shall come upon you...He shall lend to you, and you shall not lend to him.” (Dt 28:15,44)
Quality of life	“It is well with the man who deals generously and lends” (Ps 112:5)	“The borrower is the slave of the lender” (Prb 22:7)

2. Is Debt Acceptable?

3) Implications of Lending

- How then can God encourage lending while discouraging borrowing?
- Also, doesn't a command to lend anticipate the need for debt?
- Two issues:
 1. What is Biblical lending?
 2. When is lending encouraged in the Bible?

2. Is Debt Acceptable?

3) Implications of Lending: i. What is biblical lending?

Worldly Lending	Biblical Lending
1. Expects returned principal	“Even sinners lend to sinners, to get back the same amount...lend, expecting nothing in return” (Lk 6:34-35)
2. Lend no more than is safe (credit limits, credit scores)	“I have not seen the righteous forsaken... He is ever lending generously” (Ps 37:25-26)
3. Charging of profit, or interest	No interest charged on brothers (Dt 23:19-20) especially when poor (“Take no interest from him” Lev 25:35-37).
4. Legal obligation to pay principal with interest	Readiness to forgive debts – the Lord’s prayer (Mt 6:12), the Parable of the Unforgiving Servant (Mt 18:23-35)
Serves money (protect principal, gain more money)	Serves God (“love your neighbour as you love yourself”)

2. Is Debt Acceptable?

3) Implications of Lending: i. What is biblical lending?

- Biblical lending is opposite to worldly lending.
- It changes its purpose from profit to helping, and blurs the line between lending and giving.
- “You cannot serve God and money” (Mt 6:24)

2. Is Debt Acceptable?

3) Implications of Lending: ii. When is lending encouraged?

Are there biblical situations when lending is endorsed, and therefore borrowing is justified?

- When in need: “If among you, one of your brothers should become poor...you shall open your hand to him and lend him sufficient for his need”, “to the needy and to the poor” (Dt 15:7-11)
- “If your brother becomes poor and cannot maintain himself”, “You shall not lend him your **money** at interest, nor give him your **food** for profit.” (Lev 25:35-37)
- To “get grain, that we may eat and keep alive” and “money for the king’s tax” (Neh 5:2,4)

2. Is Debt Acceptable?

3) Implications of Lending: ii. When is lending encouraged?

- When family is in jeopardy: “the creditor has come to take my two children” (2 Kgs 4:1-7)

Comments on pledges also shed some light on priorities:

- “No one shall take a mill or an upper millstone in pledge, for that would be taking a life in pledge.” (Dt 24:6)
- “12 And if he is a poor man, you shall not sleep in his pledge.
13 You shall restore to him the pledge as the sun sets, that he may sleep in his cloak” (Dt 24:12-13)
- The wicked “take the widow's ox for a pledge.” (Job 24:3)

2. Is Debt Acceptable?

3) Implications of Lending

Summary on Lending

- Biblical lending is fundamentally focused on caring for the borrower's needs and has similar expectations to givings.
- Lending, and therefore borrowing, appears acceptable in times of great need, when threats to very important priorities outweigh the hardship of debt:
 - not having food to eat, having family torn apart, losing means of livelihood, insufficient shelter from the elements
- Though permissible, debt may still not be the best choice. “All things are lawful for me, but not all things are helpful” (1 Cor 6:12).

2. Is Debt Acceptable?

Is being in debt a sin?

On the one hand:

- Rm 13:8 “Owe no one anything” sounds like a command. However, this is the only explicit command against debt.
- “So whoever knows the right thing to do and fails to do it, for him it is sin.” (Jas 4:17). If debt is bad and the right thing is to avoid it, then it is sin to go into debt.

On the other hand:

- The vast majority of debt passages simply give warnings.
- If lending is commanded in certain circumstances, then borrowing in those circumstances must be condoned.

It appears difficult to argue that all debt is a sin.

2. Is Debt Acceptable?

Conclusion: Is debt acceptable?

1. Debt is bad and should be avoided.
2. Debt is not necessarily a sin (e.g. when lending is appropriate).
3. Debt appears to be acceptable in severe circumstances when the consequences of debt are preferable over those circumstances.
4. Though permissible in these cases, debt is still discouraged.

3. Why Is Debt Bad?

Group Discussion:

1. Why do you think God discourages the use of debt?
2. What makes debt bad?
3. And how bad is it, really?

3. Why Is Debt Bad?

a) Why is debt bad?

- “If a man borrows anything...and it is injured or dies...he shall make full restitution.” (Ex 22:14)
- “the creditor has come to take my two children to be his slaves” (2 Kgs 4:1b)
- “We are mortgaging our fields, our vineyards, and our houses... we are forcing our sons and our daughters to be slaves... but it is not in our power to help it, for other men have our fields and our vineyards.” (Neh 5:3,5)
- “And since he could not pay, his master ordered him to be sold, with his wife and children and all that he had, and payment to be made...And in anger his master delivered him to the jailers, until he should pay all his debt.” (Mt 18:25,34)

3. Why Is Debt Bad?

a) Why is debt bad?:

- “26 Be not one of those who give pledges, who put up security for debts. 27 If you have nothing with which to pay, why should your bed be taken from under you?” (Prb 22:26-27)

These verses seem to be good summaries:

- “Will not your debtors suddenly arise, and those awake who will make you tremble? Then you will be spoil for them.” (Hab 2:7)
- “The borrower is the slave of the lender.” (Prb 22:7b)

3. Why Is Debt Bad?

a) Summary:

- Interest is not the worst part of debt (though higher interest rates add more consequences).
- The biggest risk is forced restitution (repayment) under adverse circumstances, requiring loss of your most valuable possessions.
 - Financial leverage is the use of borrowed money to amplify financial productivity (both gains and losses).
 - In good times, leverage is very profitable; in bad times, it is disastrous, even jeopardizing non-investment assets.
- Examples: US housing bubble, Greek Financial Crisis

3. Why Is Debt Bad?

b) What happens if I die while in debt?

- In Ontario, debts do not transfer by virtue of death.
- Creditors will attempt to collect from the estate of the deceased.
- If the debt is held jointly, the survivor will be on the hook for the debt.
- In some cases there may be an insurance plan to cover the debt.
- If there is not enough available funds to pay the debt, it will simply be written off by the creditor.
- For Christians, this is a moral issue: “The wicked borrows but does not pay back” (Ps 37:21)

3. Why Is Debt Bad?

c) Spiritual Parallel

- Our sins constitute a spiritual debt to God.
 - “Forgive us our debts” (Mt 6:12), “Forgive us our sins” (Lk 11:4)
 - “Lord, how often will my brother sin against me, and I forgive him?” precedes the Parable of the Unforgiving Servant (Mt 18)
- Sin, like debt, requires a full restitution, even if it means “taking a life in pledge”
- “And you, who were dead in your trespasses and the uncircumcision of your flesh, God made alive together with him, **having forgiven us all our trespasses, by canceling the record of debt** that stood against us with its legal demands. This he set aside, nailing it to the cross.” (Col 2:13-14)
- Our view and treatment of debt is a reflection of the gospel.

3. Why Is Debt Bad?

d) Spiritual Consequences of Debt

1. Debt enables us to run ahead of God, or escape His trials and training.
2. Debt pre-empts God's plan to provide for us.
3. Debt nullifies God's opportunities to grow our faith in Him.
4. Debt prevents the body of Christ from functioning properly.
5. In all the above, the world is not able to see how great God is as a Father and provider, and how blessed His ways are.

3. Why Is Debt Bad?

The Parable of the Persistent Widow (Lk 18:1-8)

“1 And he told them a parable to the effect that they ought always to pray and not lose heart. 2 He said, “In a certain city there was a judge who neither feared God nor respected man. 3 And there was a widow in that city who kept coming to him and saying, ‘Give me justice against my adversary.’ 4 For a while he refused, but afterward he said to himself, ‘Though I neither fear God nor respect man, 5 yet because this widow keeps bothering me, I will give her justice, so that she will not beat me down by her continual coming.’”

6 And the Lord said, “Hear what the unrighteous judge says. 7 And will not God give justice to his elect, who cry to him day and night? Will he delay long over them? 8 I tell you, he will give justice to them speedily. ***Nevertheless, when the Son of Man comes, will he find faith on earth?***”

4. Practical Tips

Getting and staying out of debt

Debt is caused by one thing: overspending. If you don't spend what you don't have, you can't get into debt.

1. Implement a system to keep spending under control.
2. Create a plan to spend *less* than you make.
3. Prioritize debt repayment, beginning with highest rate and/or smallest balance debts.
4. Build up sufficient working capital in your bank account to handle ups and downs.
5. Set aside an emergency fund.
6. Prepare in advance for future expenses.

4. Practical Tips

The Tough Question: How to Own a Home Without Debt

- Life can be lived without debt, don't lose faith!
- The larger the cost of the item, the more advance preparation is required. In North America, we're not just unprepared for the future, we're still paying for the past!
- This requires a huge culture shift
- Tips:
 - Begin planning early in life; parental direction is highly valuable
 - Make the tough priority choices
 - Save and invest (interest works for you not against you)
 - Start with a smaller home
- Being mortgage-free for the rest of your life is worth it!