

be honest: how many individuals do you know who are willing to admit they have a debt problem and are candid in talking about it? Your honesty about your debt, your reduction plan, and your dream of being debt-free may be the catalyst for that person to have a conversation about his/her fears and struggles in the same area. The Bible says two are better than one in solving a problem. Sharing your situations with each other can be very encouraging, as you hold each other accountable.

**References**

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4. Bell, Matt. "The Essential Steps for Getting out of Debt." *Sound Mind Investing*, Jan. 2018, [soundmindinvesting.com/articles/view/the-essential-steps-for-getting-out-of-debt](http://soundmindinvesting.com/articles/view/the-essential-steps-for-getting-out-of-debt).

**6. CONTINUE TO STAY OUT OF DEBT.**

You can take two practical steps to make sure that debt does not happen again. First, develop a household budget and stick with it. Second, build an emergency fund of \$1,000, which will take care of any unexpected costs.

**7. MAKE YOUR DREAM A REALITY.**

Dream with me just for the moment. Imagine you and your family without a mortgage payment every month. Picture having no car payment. Visualize having to pay absolutely no credit-card interest and, better still, not one payout on your student loans.

Now add up what you would save, envision keeping all that money every month, and plan for your or your family's fantastic debt-free future. At this moment, you should start feeling very well-off!<sup>4</sup>

*For more than 20 years, I have written about the importance of being debt-free and the enjoyment of financial freedom. I want you to know that financial freedom isn't only a dream. It can be a reality if you are willing to make the sacrifice, do the work, and then never, never give up.*

**Imagine you and your family without a mortgage payment every month.**



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# The STEWPOT

A POTPOURRI OF PRACTICAL IDEAS to help you become a better steward

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## 666

BY GORDON BOTTING DRPH, CHES, CFC

After seeing the title of this month's issue, you are probably thinking, "Well, this is a new twist for the monthly *Stewpot*—finances and the Book of Revelation or money management and the mark of the beast."

Actually, the title refers to the shortfall for the 2017 United States national budget—\$666 billion. Did you realize that the national debt is larger than the size of the United States' economy? It's equivalent to 106 percent of the GDP (gross domestic product). Alas, the Congressional Budget Office (CBO) predicts that our national debt will

surpass \$30 trillion in another 10 years (2028) as the 77 million Baby Boomers collect on their Social Security, and their Medicare costs skyrocket!<sup>1</sup>

Of course, a shortfall is not new. Except for a brief four-year stretch back

**"Did you realize that the national debt is larger than the size of the United States' economy?"**



STEWARDSHIP is a total lifestyle. It involves our health, time, talents, environment, relationships, spirituality, and finances.

in the 1990s, the federal government has continued to run an annual budget deficit since 1970. Interestingly, our country has been “in hock” almost every year since its founding—apart from 1835 when President Andrew Jackson (pictured on the \$10 bill) paid off the national debt. (Regrettably, some of it was paid with proceeds from the lands seized from Native Americans.) Our federal debt peaked after World War II, bulging to nearly 120 percent of the GDP of the mid-1940s but fortuitously shrinking with the postwar booming economy.<sup>2</sup>

**“A debt problem is, at its core, a budgeting problem.”**

NATALIE PACE

You are probably asking, “How come this huge debt has not become a problem in the last six decades?” Like all individuals and businesses, the U.S. government must pay interest on this federal debt. During the last 10 years, that payment has not been a super-serious problem because of historically low interest rates. (In 2017 the country’s interest payments were less than 7 percent of the federal budget, as compared to more than double that percentage in the mid-1990s.) Of course, the interest payment is a whole lot of money—\$276.2 billion last year. And it’s going to increase. Our country will be paying much more in the next decade, as the cost of servicing the national debt will nearly triple. The country will end up paying more in interest than on national defense!<sup>3</sup>

I, like you, wish our government would take the essential steps to get out of debt, but that possibility does not seem likely in the foreseeable future. However, you (as a single individual or a married couple) can reach the attainable goal of being debt-free.

In an article titled “The Essential Steps for Getting out of Debt,” Matt Bell offers a tried and true seven-step formula for dumping your credit problems once and for all. Here it is—along with some of my ideas, as well:

## 1. STOP ACCUMULATING DEBT.

No excuses, no pretexts, no pleas, and absolutely no exceptions! Begin by recognizing that you do NOT get out of debt by adding more debt.



It’s a no-brainer. To win this battle, you must surrender any thoughts or impulses to pay for anything else with credit. If your credit cards are the problem, immediately put them out of their misery. Cut them up!

## 2. DEFINE YOUR DEBT.

Add this to your must-do list: know what your debt condition is. This step will take a little organizing on your part. Sort out all the credit card bills, vehicle loans, balances on your school loans, and house mortgage. In other words, add up all your debts so that you can begin this elimination process by knowing exactly how much debt you or your family have.

The second part of this debt reorganization is to list all your debts in order from the highest to the lowest balance. Usually the highest is your house mortgage, followed by school or vehicle loans, and so on.

## 3. KEEP PAYING THE MINIMUM.

Begin the debt reduction process by making sure you keep paying each bill’s minimum requirement every month.

## 4. ACCELERATE YOUR PAY-OFF.

This is a simple concept that many neglect. Begin paying additional money beyond the fixed minimum each month, and you will speed up the process of becoming debt-free. If you have multiple debts, focus on your lowest debt first. If you have numerous small financial obligations, immediately pay them off—which will motivate you to stay focused for the long haul of paying off your larger debts.

## 5. SHARE YOUR SITUATION.

This is by far the most frightening step in the debt-free process, but often it’s the most constructive and helpful. Tell someone what you are doing—maybe a wise uncle, aunt, or boss, but definitely not just your spouse. Tell him/her about your commitment to eliminate your debts and what your overall plan to do so is. Invite this person to ask you about your progress in the days ahead.

This accountability request will not only help you. It may also help the person you’ve asked. You have no way of knowing that the very person with whom you have chosen to share your debt reduction process may be struggling with the same issue. Let’s



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**“You must gain control over your money or the lack of it will forever control you.”**

DAVE RAMSEY