



# What's Wrong with Credit Cards?

## It demonstrates a lack of faith

The Bible offers many warnings about debt, but it never says that borrowing money violates God's commandments. It may, however, be unwise to do so. Carrying credit card debt violates two biblical principles. First, debt presumes upon the future (James 4:13-15). When we use credit card debt, we assume money will be available to pay off the debt in the future. Second, using credit card debt may deny God an opportunity to provide. Isaiah 55:8-9 says God's ways are not our ways, that his plans are higher than ours. When we use credit card debt as a quick solution, we effectively deny ourselves the opportunity to let God meet our needs.

In addition, credit card debt is very expensive. Unpaid balances on credit cards can carry monthly interest rates upwards of 30 percent. The cost to carry an unpaid balance from month to month means that you are paying a monthly premium on that balance. If you have a \$2,000 outstanding balance on a credit card, and you pay only the monthly minimum, it will take you 32 years to pay off that \$2,000. You will have paid the enormous sum of \$10,000 to buy something that cost \$2,000.

Financial choices and predicaments are always symptomatic of other issues. Some of the more common issues that lead to credit card debt include a lack of contentment, a lack of self-discipline, the search for security, and the search for significance.

The bottom line is that we should avoid putting a lender in the place of God by depending on them to meet our needs, and we should not play God in our own lives by deciding that the only way to meet our needs is to borrow.

## It's dangerous

Although credit can be a useful tool, accruing credit card debt is dangerous.

God called human beings to cultivate the world (Gen. 1). We are to take what is already "very good"—even if now fallen—and make it better. Doing that as well as we can means making use of resources in the best ways

we can. One of those resources in a modern economy is credit.

Credit lets people escape from poverty. Microfinance loans to people in developing countries have been popular among Christian charities for some time, and we can only hope that they increase.

Credit lets people enjoy a home decades before they could save up the money to pay for it outright—and that's why few critics of credit card debt ever criticize mortgages. It can also fund education. To offer blanket criticism of debt as immoral is to rule out all of these manifestly good uses of credit.

But doesn't the Bible say lots of negative things about debt? Sure it does. In the subsistence economies of the Bible, margins of profit were small, and the opportunities to make a lot of money fast were few. One bad crop, and you would be wiped out. One merchant caravan doesn't return, and your business would disappear. Then you'd be liable to indentured servitude for a long time.

Credit card borrowing is among the very worst ways to borrow any significant amount of money. We all know why. It's too easy—just hand over the card. It's too accessible—almost anyone can obtain a card, and most of us can get quite a few. It's too extortionate—interest rates are shockingly high relative to almost any other kind of loan. That's why they print them in the tiniest possible fonts.

## It's potentially immoral

The Bible does not forbid debt, its emphasis on stewardship suggests some rather strict guidelines:

1. **The borrower should have resources readily available to repay the debt.** With a mortgage, the collateral held by the lender (the property) secures repayment of the loan. But credit card debt is unsecured. Here is the test: If you do not have enough money to pay your entire credit card bill in a single month, you've violated this guideline. You've allowed yourself to slip into the lender's bondage.
2. **The cost of the debt should be reasonable.** Most credit card rates have the potential of reaching 30%, a rate that could hardly be considered reasonable. Paying the balance in full during the grace period

precludes paying any interest, while offering the financially mature person financial flexibility and opportunities.

3. **Borrowers should pay off debt as soon as possible.** It is difficult to fit long-term credit card debt within this guideline.

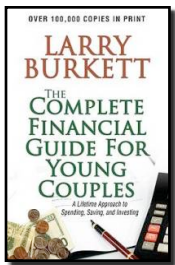
Carrying credit card debt within the guidelines is, at best, difficult, but the test is simple: Am I able to pay the entire balance in full in a single month? If the answer is no, you need to put that card far, far away until the day you've reached a level of financial stability that allows you to operate within biblical guidelines. Otherwise, your debt will become immoral.

## RELATED SCRIPTURE

Be very careful, then, how you live—not as unwise but as wise, making the most of every opportunity, because the days are evil (Ephesians 5:15-16).

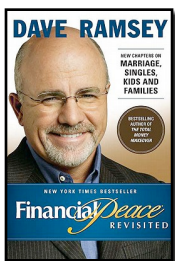
Let no debt remain outstanding, except the continuing debt to love one another, for whoever loves others has fulfilled the law (Romans 13:8).

## RELATED RESOURCES



### Complete Financial Guide for Young Couples

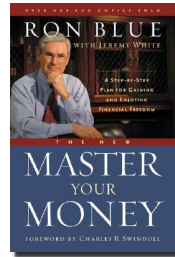
Larry Burkett  
ISBN 978-1564761309  
Without a solid financial and spiritual foundation on which to base sound decisions, problems—and not just money problems—tend to multiply in a marriage. And they come whether you're struggling on \$20,000 a year or "coasting" on a six-figure income. Whether you are about to marry or are still in marriage's early years, best-selling author Larry Burkett can steer you around the pitfalls that result from mishandling your money.



### Financial Peace Revisited

Dave Ramsey  
ISBN 978-0670032082  
Dave Ramsey knows what it's like to have it all. By age twenty-six, he had established a four-million-dollar real estate portfolio, only to lose it by age thirty. He has since rebuilt his financial life and, through his workshops and his New York Times business bestsellers

*Financial Peace* and *More than Enough*, he has helped hundreds of thousands of people to understand the forces behind their financial distress and how to set things right—financially, emotionally, and spiritually.



### The New Master Your Money

Jeremy White, Ron Blue, Charles Swindoll  
ISBN 978-0802481610  
Finally...a financial planning book that presents concepts in an easy-to-understand format. Do you know if you have enough? Do you know how much is enough? If you can't answer these questions, *The New Master Your Money* is for you. Ron Blue extracts principles from God's Word and applies them to your financial portfolio. Ron's professional experience in financial planning will be an asset to you and to your family for generations to come. This new edition includes important updates and new content you won't want to miss.

### Financial Help at Long Hollow

Real Life University offers a variety of courses designed to help you be a better steward of your finances. From *Financial Peace University* to *Balanced*, you'll find a group to meet your needs.

In addition, personal financial counseling is available through the counseling office. Call (615) 824-4006 to schedule an appointment.

You can find on-campus and off-campus groups that meet your needs by visiting [longhollow.com/grow](http://longhollow.com/grow) and clicking the button to Launch Group Finder Now.