

# CHRISTIAN MONEY \$ENSE

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## The Financial Stairmaster

*Mark Robbins, CPA*

I've lost weight this year (and I needed it), but I still have more to go. There are all sorts of exercise machines you can buy. No matter which you use, a general principle applies – exercising your body helps you get in shape (you get smaller).

Unfortunately, the same is not true of credit cards. The more you exercise them (use them), the more financially out of shape you get (troubles get bigger).

Consider this verse from Proverbs: “The rich rule over the poor, and the borrower is the slave of the lender (22:7, ESV. No one wants to be bound in debt.

The average credit card balance is reported to be over \$8,000. We need to make some financial resolutions, because financial slavery to credit cards is no fun.

- From this point, only charge what you can pay off each month. Even better – take a “vacation” from charging until this summer so you can get your finances in order.
- Determine your total credit card debt. List the dollar amount, rate, and minimum payment for each credit card company. This is a time when you want your balance to be “below average,” but it may not be.
- Consider transferring your balance to a 0% card for a while to help accelerate your payments. Be sure to keep track of when the introductory rate expires.
- Most people have multiple existing debts. Don't try to make extra payments on all of

them at the same time. That is the “shotgun” approach and it does not work. Make minimum payments on all of your debts except one (highest rate or lowest balance). Focus all the extra dollars you can spare on that one. Once it is paid off, roll that payment onto the next debt in line. This is the “rifle” approach, and it works. You might also consider accelerating your debt reduction by using some of your assets to pay off debt.

Credit card companies have great slogans:

- Mastercard – Memories are priceless; for everything else there's Mastercard.
- Visa – It's everywhere you want to be.

How about a new slogan for credit cards: “Debt will rob my financial future.” I admit, it is not quite as catchy, but it is true (Prov 22:7). You will never fall into a debt-free life.

Get back into shape financially by not exercising your credit cards in 2004. Imagine what your life would be like if you didn't have credit card debt! If you would like a copy of a one-page budget to help you get in shape financially, contact our office and ask for our 10-70-20 budget.

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BBC Foundation has been ministering to churches and individuals regarding biblical stewardship since 1992. Send your questions on finances and stewardship to: BBC Foundation, 538 Venard Rd., Clarks Summit, PA 18411. Phone: (800) 451-8668, website: [bbcfoundation.org](http://bbcfoundation.org); e-mail: [info@bbcfoundation.org](mailto:info@bbcfoundation.org)