Design For Ministry™

Depth Perception
15 October 2003
by Mark L. Vincent

Debt reduction

This past year personal indebtedness grew from 103% of income (Oct. 2002) to 108% of income (Jan. 2003) to 110% of income (Aug. 2003).

The average North American household continues to spend more than it earns, using lower interest rates to consolidate debt, to reduce the size of monthly payments, and to spend even more money on consumer goods. While lowering monthly payments is good, reducing debt is better still. Eliminating debt is even better in most cases.

Many households are too time-strapped to adequately monitor finances where debt is involved. Many congregations are under-resourced to stay on top of needed income and expense projections when debt is involved. Many non-profits are geared for their staff to provide services, not to manage complicated financial transactions.

Design For Ministry™ does not take the position that all debt is bad – especially when one views matters economically and over the long-term. Economically speaking debt can help a person or organization earn or increase income and get more done, but taking on debt requires rigourous monitoring of income and expense. Failure to pay attention means debt nearly always gets out of hand. Uncontrolled debt removes the benefit of securing it in the first place.

Taking on debt is not an exercise in faith that God gives you the money to repay it. Rather, acquiring debt is a time to be like the ant and prepare for winter. Plan. Plan. Plan. Follow through. Follow through. Follow through. In other words:

> ***". . . lowering monthly payments is good, reducing debt is better still."***

If you cannot . . . *(plan)*
or will not . . .*(follow through)*
then do not . . . *(go into debt).*

-mark