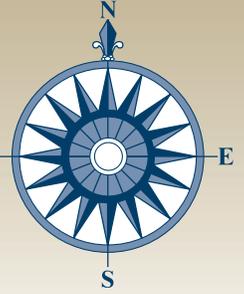


# DEBT



*Don't withhold repayment of your debts.  
Don't say later if you can pay now.*

## PRINCIPLE OF THE WEEK

This principle is focused on well managed debt and shows how to facilitate relationships with others. There are those who like to be self-sufficient and not have any debts pending, but in reality we cannot always be debt free. Even if it sounds contradictory, sometimes debt can have a constructive effect in our lives. Although borrowing is not considered a positive thing, it does have value if we have the right attitude and act responsibly. It will force us to grow and we will in turn learn many valuable lessons. It takes discipline to repay our debt or return what we have borrowed in a timely manner and in good condition. This helps us respect each other and our need for establishing good relationships. Learn to work with and depend on one another, whether it is family, friends, community or employment.

We think of debt primarily as loans but borrowing for needs is a much broader principle that can be applied to many situations. To ask for help requires humility. Borrowing, whether it is money, products or help, lets us know that we are not sufficient in ourselves. Financial independence and self sufficiency can make us prideful, feeding our selfishness and leading us to believe we don't need anyone. We end up trusting only in money and our abilities rather than the interdependence necessary for healthy relationships. You cannot be happy by being independent because we were designed to be relational. We will always be indebted to others who care for us.

Promptness is an important principle not only for payment or favours but as a character trait. It shows

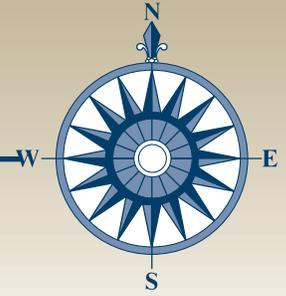
responsibility and will give you a good reputation. The payment is always expected, but what builds respect and trust is promptness. It shows that we are concerned about our reputation for future transactions. Our policy should be to pay off our debts as soon as possible. When you get some extra cash, rather than going on a spending spree, put it towards your debt.

There are times when all of us have a hard time filling our obligations. Unusual situations may set us back financially or emotionally and cause us to be late. Most bankers or friends are not overly concerned about a few late payments if we communicate promptly. They will respect us for coming to them and explaining our situation. This builds trust and long-lasting friendships. We get from others what we put into them. The bottom line is that it is hard to borrow from the bank or our friends if we have not built up equity with them.

## BENEFITS

1. Debt will keep us aware of our relations with others, making us responsible for our actions.
2. It will create discipline as we pay off our debt first and delay our wants.
3. It will keep us from being proud and arrogant.
4. It creates a sense of satisfaction and self worth when a debt has been paid in full.

# Action Plan for DEBT



## STEPS TO FOLLOW

1. Start with small favours or small loans. This will ensure our ability to repay and establish a good credit rating.
2. Be prompt with your payment and follow through on your commitment. This will establish your reputation.
3. If you receive extra money pay down your debt, don't delay it for later, you don't know what the future holds.
4. Communicate promptly if you have a problem with your obligations. Call to explain your situation, be ahead of the game.
5. Only ask for a loan or favour when there is a real common sense need. Make your request clear, and explain how you expect to fill your obligation or make payments.
6. Don't go into debt for vacations, clothing, food or entertainment. Save up and pay cash, which often proves to get you the best deals.
7. Avoid any debt that has the potential to ruin you or your family if for whatever reason you could not pay it back. Talk to your spouse before borrowing money.
8. Ask what you can do to help those who have helped you. Be grateful and appreciative.

As we learn to work with and depend on others we develop good relationships and become responsible. If life was meant to be lived independently, we would not be able to function as married couples. To say we owe nothing is to think that we can only owe money. We should always be

grateful for our parents because they've raised us and helped us to grow and mature. This principle goes a lot deeper, because there are some favours that we are never able to repay. The more successful we become the more we recognize that we could not have done it ourselves. Likewise don't withhold favours from others.

### *Remember...*

*thoughts produce actions,  
actions produce habits,  
habits form our character,  
and character determines our destiny!*

## REFLECT AND RESPOND

Who are you indebted to? Have you thanked them lately?

How do you view debt? Do you see the value of what it can teach you?

How well are you applying this principle in your life?

Evaluate yourself from 1 to 10	1	2	3	4	5	6	7	8	9	10
Why did you give yourself this rating?										
Benefits of raising your rating?										
What specific action will you do this week? (eg. what, with whom, when)										