"Debt Free Reality"

For a Debt Free Life

Full Gospel Baptist
Church Fellowship International
LIVEFULL 2025 Conference
New Orleans, LA

Bishop Tyrone Sellers, CPA, M. Div.

"Debt Free Reality" – For a Debt Free Life

Debt Free Reality – For a Debt Free Life

By Tyrone Sellers, CPA, M. Div.

Printed in the United States of America

“Debt Free Reality”
For a Debt Free Life

I) Introduction to “Debt Free Reality”

1) It is God’s desire for us to be lenders and not borrowers (Deuteronomy 15:6).
   Two primary purposes of why this is so:
   a) In the Old Testament, incurring and remaining in debt was viewed negatively (a curse). Continuous borrowing and ongoing indebtedness suggested that a person had insufficient financial resources and social status to avoid debt. This was seen as reflecting the economic consequences of not following God’s commandments. (Deuteronomy 28:15, 43-44).
   b) Financial freedom is God’s way for us to contribute positively to the body of Christ, to humanity, and to the communities we are part of. (Proverbs 19:17, 2 Corinthians 9:6-8, Psalm 37:25-26, Psalm 112:1-10).
2) It is a widespread misconception that living a luxurious lifestyle equates to having substantial financial wealth. However, when we assess luxurious lifestyles through the lens of debt free principles, it becomes apparent that many individuals who project an image of luxury are often burdened by debt, constraining them from achieving true financial freedom and fulfilling their godly responsibilities. Hence, luxurious living does not necessarily mean debt free living.
   We are deceived by the devil when we try to portray rich but yet never have enough money for tomorrow’s obligations.
3) Here is a misnomer – “It’s not fair that the rich are getting richer and the poor are getting poorer.”
   Remember Matthew 5:45, God made it so that it rains on the just and the unjust because God’s financial principles

are sure to do what they are designed to do. We cannot get upset when an unsaved person reaps prosperity when they sow according to **God's financial principles**. Many Christians are selfish and unwilling to give to others which may be a reason for their lack and insufficiency. An individual who may not be saved can still achieve prosperity by generously giving to the poor and needy, thereby becoming a blessing to those who are less fortunate.

<u>God's Financial Principles</u>

a. Faithful Stewardship and Operating with Integrity
b. Contentment and Avoiding Greed
c. Practicing Generosity
d. Seeking God First (Worship)
e. Understanding that God is in Control of Everything
f. Prioritizing God (God's Agenda)
g. Trust God's Provision

<u>II) What does it mean to be in financial debt?</u>

1) Financial debt is simply this; when you are obligated to pay out more money than you currently bring in (earn) at any given time.

Having a mortgage, car loan, or credit card does not necessarily indicate you are in debt. Here is why. Using borrowed money can be a strategic choice to acquire assets without depleting your financial resources, especially when the income generated from the asset facilitates repayment of the debt during the asset's useful life. This is often referred to as good productive debt, which contributes to wealth accumulation. The essential consideration regarding any debt is whether your income suffices to meet your obligations. If it does, the debt is good debt. If it does not, then action should be taken to get rid of the debt.

2) Debt is a spirit designed by the devil to make you a slave to debt and the system created to get us into debt (Proverbs 22:7).

   As a borrower you are in a position of dependence upon the good graces of the lender. Therefore, you must adhere to their requirements or receive the consequences of not doing so.

   As Children of God, we should aim to have money work for us and not be consumed spiritually by debt. Earning a salary is good, but if all your pay goes towards obligations and leaves you with nothing, you are working for your debts.

3) Debt acts as a thief. It robs you of your precious time and the value of your money and worth, which all three should be available for the things of God. John 10:10.

<u>III) How can debt take control of your life?</u>

1) Financial illiteracy often originates in childhood, as many young individuals are not taught fundamental money management skills. Unfortunately, this issue continues into adulthood leading to ongoing difficulties in managing finances effectively (good stewardship).
   a) Some children are born and raised in economically disadvantaged households. As they grow up, some of these individuals may develop a desire to attain the material possessions their parents could not provide. This can lead to a lack of appreciation for the non-material aspects of life, such as family, health, and happiness (things that cannot be purchased with money). Consequently, they may become fixated on acquiring material goods to compensate for their perceived deficiencies. However, this pursuit often results in accumulating debt, perpetuating a cycle of

financial instability across generations. The good news is the blood of Jesus breaks this obsession. Jesus became poor so that we can become rich in all things. We must tap into the financial principles of God and by faith gradually climb out of the hole of poverty from generation to generation.

b) Some children are born and raised in wealthy homes. These children can be at times ignorant of appreciating their parents' hard work. They move into young adulthood expecting everything to be paid for by their parents. So, they tend to spend every cent allotted to them and not learn the basics of economics. Also, too many people from wealthy families derail their destiny by using drugs and practicing other sorts of riotous living. Once they get any freedom to live the way they desire Satan is there waiting to seduce them deeper into the riotous living including becoming irresponsible with their financial resources. As a result, they squander all their inheritance. Thank God that He is a Restorer. For a heart of repentance and renewed love for God will help bring a Prodigal person back to their prosperous inheritance.

2) As adults we abuse our credit before we learn how to develop a surplus of funds.

a) Breaking the cycle of debt can be challenging because credit often appears advantageous. This perception arises because people enjoy obtaining things without immediate payment, confusing it with having favor. However, misusing credit and consistently seeking free items is not favor it is foolishness.

b) Credit abuse stems from a lack of self-control. Dealing with the issue of lacking self-control by repenting and yielding to the Holy Spirt is a must before seeking deliverance from consequences of credit abuse.

c) Without a plan of resistance we give into the seduction of debt (James 4:7).

3) Becoming a co-signer for other people is not wise, especially for those who you know cannot pay for what they are trying to get. At the end you will most likely get stuck with their debt (Proverbs 22:26).
4) When our income is reduced but we continue to maintain the same level of spending, it can lead to accumulating debt. Often, we delay aligning our expenses with our decreased income for various seemingly valid reasons. However, failing to promptly adjust our spending allows debt to accumulate. It is crucial to adapt to our new financial situation, whether temporary or permanent, as soon as possible to ensure better financial stability.
5) Poor money management is a pitfall to debt. Everyone should have a monthly spending plan. Without one you have no idea where your money is going. Planning is writing down your income and expenses and reconciling the two. You will be surprised at how empowered you will feel when you are making thoughtful decisions about where and when to spend your money.
6) Gambling is a trap of temptation for money obsession. Gamblers rarely win and often become addicted, making it hard to stop. Unpaid loans, bills, and homelessness can result from this addiction, as well as acts of desperation.
7) Insufficient savings can hinder financial stability. Living paycheck to paycheck is common but unsustainable. To avoid debt, maintain six to nine months of living expenses in savings to prepare for emergencies such as job loss, illness, or a loved one's death. A savings account prevents immediate financial strain and avoids increased debt. Having savings is always beneficial for unforeseen needs or personal betterment and investment.

8) Not having money communication skills is like being on a road to nowhere. It is just as important to know how to talk about money as it is in knowing how to earn money. Learning how to communicate with your spouse, children, bankers, investors, businesspeople, etc., is crucial to your financial survival.
9) Many people lack understanding of money management, saving, investing, or balancing a checkbook. Schools often don't teach it, and parents may not explain it to their children. Financial mistakes can be costly and complex. Educate yourself about money and take control.

<u>IV) What does the Word of God say about debt?</u>

1) It’s like putting your money in a bag full of holes (Haggai 1:6-7).
2) Debt is not only an evil spirit but it’s also a curse (Deuteronomy 28:15, 43-44, Proverbs 22:7).
3) It is wrong to not repay debts. Not paying is considered a lifestyle of the wicked (Psalm 37:21).
4) Paying your debt is required of you (Romans 13:7-8).

<u>V) Why does God want us to be debt free?</u>

1) To prove His covenant with His people (Deuteronomy 8:18).
2) It was God’s plan for people to be released from debt every 7 years (Deuteronomy 15:1-2). Biblically, every 7 years some debt in your life ought to be canceled. Claim that in Jesus’ name…
3) God wants us in a position of surplus to lend, give to others and support the ministry of the church (Psalm 37:21, 25-26, Psalm 112:5, Proverbs 19:17, Malachi 3:8-12).

<u>VI) How do we initially get out of debt?</u>

1) Pray and ask God to break the power of debt in your life. Declare and decree that you will not be a slave to debt but

rather money will come to you because of the godly principles of stewardship you adhere to. Remember everything loves to be handled right. Money is no exception to this principle.

2) Stop your habit of deficit spending and learn to adjust living on the money you currently earn. Seek shared living arrangements and keep meeting your agreed upon shared obligations.
3) Seek additional employment, start a business that you can do while employed, seek your niche and potential customers and improve your product or service by investing in knowledge and growing your new business.
4) Get a total of how much you owe and begin to prioritize paying your debts from the smallest to the highest. Pay off the smallest debt first and then use that money to double up on the 2nd smallest, and so on until you owe no more debt. This does take time but is do-able and rewarding, not to mention how refreshing it is for your spirit.
5) Learn to trust God and begin to sow your way out of debt and believe God for financial increases through your tithing and offerings.
6) Beware of critical decisions and commitments where debt or investments are involved.
7) Start a savings plan and set a goal to reach living on 80% of your net income and savings/investing on the other 20%.
8) Don't let the devil make you feel that you have to prove anything financially to anyone, especially in giving to God in public.

<u>VII) Money strategies that yield to a prosperous financial life and legacy.</u>

1) First and foremost, owning real estate has proven to lead to financial stability and wealth. The goal in real estate is to

become debt free, no mortgage, or if investing in real estate having properties that produce sufficient rental income to pay off the debt.

2) Having appropriate insurances (life, disablement, income protection, liability and property) in place to protect yourself and your family.
3) Focus on wealth accumulation during your younger years. During your younger years focus on acquiring the assets you will need to help meet your long-term financial goals.
4) As you age and grow into your peak earning years begin to focus from wealth accumulation to wealth risk management. Learn to protect your portfolio from unexpected adversities or famines.
5) At some point, most individuals will need to draw on their accumulated resources to fund specific needs, such as college tuition costs or retirement expenses. So having separate savings for specific purposes is vital.
6) Many, if not most, affluent individuals hope to leave a sizable legacy for their children, their grandchildren and/or their communities. Biblically we are considered blessed when we save and pass on an inheritance for our children's children (Proverbs 13:22).

<u>VIII) Remember these wisdom keys for Debt Free Reality.</u>

1) Getting out of debt requires sacrificing your flesh's desires.
2) Be committed to becoming debt free and stick to your plan.
3) To live debt free is to live within your means and seeking income growth without obligations.
4) It is always healthier to have a rich spiritual, mental and physical life than having all the money in the world and not being able to enjoy it. Investing in these three areas of your life will always benefit you.

Budget and Financial Glossary

- 50/30/20 Rule – A simple budgeting method: 50% of income for needs, 30% for wants, and 20% for savings.
- Active Income – Income earned from your job or business, where you actively trade time for money.
- Amortization – The process of gradually paying off a loan with fixed payments.
- APR (Annual Percentage Rate) – The yearly interest rate you are charged on a loan or credit card.
- Asset – Anything of value that you own, like a car, house, or stocks.
- Bond – A loan you give to a company or government in exchange for regular interest payments.
- Budget – A plan for how you'll spend and save your money. Check how to set up a budget here!
- Cash Flow – The money coming in (income) and going out (expenses) of your budget.
- Compound Interest – Interest that is calculated on both the money you save and the interest it earns over time.
- Debt – Money you owe.
- Debt Avalanche – A method for paying off debt by focusing on the highest-interest balances first.
- Debt Snowball – A method for paying off debt by tackling the smallest balances first.
- Debt-to-Income Ratio (DTI) – The percentage of your income that goes toward paying debt. A lower DTI is best.
- Discretionary Income – What is left of your income after you have paid for all your necessities.
- Diversification – Spreading your investments across different assets to reduce risk.
- Emergency Fund – A stash of money set aside for unexpected expenses, like medical bills or car repairs.

- Envelope System – A cash-based system where you allocate money to specific envelopes for different spending categories.
- Essential Expenses – Things you absolutely need.
- FICA and Medicare Taxes – Taxes that fund your Social Security and Medicare.
- Financial Independence – When your savings and investments generate enough income to cover your living expenses.
- Financial Planner – A professional who helps you create a plan to achieve your financial goals.
- Fixed Expenses – Costs that stay the same every month.
- Gross Income – This is your total income before any taxes or deductions are taken out.
- High Yield Savings Account – A savings account with a higher interest rate than a regular savings account.
- Interest – The cost of borrowing money, typically expressed as a percentage.
- Liability – Something you owe, like debt or loans.
- Line-Item Budget – A detailed budget where every expense is listed individually.
- Liquidity – How quickly you can convert an asset to cash without losing value.
- Living Below Your Means - Spending less than you earn to save money and to avoid debt.
- Living Expenses – A combination of all your basic needs.
- Net Income – Also called take-home pay, this is your income after taxes and deductions.
- Net Worth (Wealth) – The total value of your assets minus your liabilities.
- Non-Essential Expenses – These are your wants but don't necessarily need.

- Passive Income – Money you earn without actively working for it.
- Pay Yourself First – A strategy where you save a portion of your income before spending on anything else.
- Principal – The original amount of money you borrowed not including interest.
- ROI (Return on Investment) – A measure of how profitable an investment is compared to its cost.
- Savings Interest Rate – The money earned on your savings each month.
- Sinking Fund – A savings account for specific future expenses, like a vacation or holiday shopping.
- Spreadsheets – A digital tool, like Excel or Google Sheets, for creating and managing budgets and financial forecasts/activity.
- Stock – A share of ownership in a company.
- Tax Credit – A dollar for dollar reduction in your tax bill.
- Tax Deduction – An expense that reduces your taxable income, like mortgage interest or charitable donations.
- Taxable Income – The portion of your income that is subject to income taxes.
- Taxes – Money due to a government agency based on income, sales or valuation at time of a transaction.
- Variable Expenses – Costs that change from month to month.
- Withholding Taxes – The amount of money your employer takes out of your paycheck for taxes.
- Zero-Based Budgeting – Every dollar of your income is assigned a job, so your income minus expenses equals zero.

Notes:

My Budget - Sample

Income	Monthly	Annual
Job A/Person 1	10,000	120,000
Job B/Person 2	7,000	84,000
Other - Interest,etc.	1,500	18,000
Total Income	18,500	222,000

Withholdings		
Taxes	4,070	48,840
Health/life insurance	925	11,100
Pension/401K/403B	1,020	12,240
Net Income	13,410	160,920

Expenses		
Giving	1,341	16,092
Savings/investments	402	4,828
Mortgage/Rent	3,591	43,092
Electric	110	1,320
Gas/Propane/Oil heat and cooking	175	2,100
Water/Sewer	100	1,200
Cell	90	1,080
Phone/Cable/Wifi	225	2,700
Maintenance	150	1,800
Repairs	416	4,992
Public transportation	500	6,000
Car payment	1,650	19,800
Car insurance	500	6,000
Car maintenance	50	600
Car repairs	100	1,200
Food/groceries	1,000	12,000
Dinning out	400	4,800
Children allowances	100	1,200
Child expenses	800	9,600
Pet expences	100	1,200
Clothing	200	2,400
Exercise	20	240
Hobbies/clubs/fun	25	300
Entertainment	500	6,000
Vacation	350	4,200
Loans	110	1,320
Credit cards	150	1,800
Judgements	-	-
Liens	-	-
Other		-
Other		-
Total experiences	13,155	157,864
Net profit/(loss)	255	3,056

Order books and bible study material from Bishop Tyrone Sellers Ministries:

<u>Books</u>
Prayers of Jesus
The Realms of Intercession
Your Season for Breakthrough

<u>Study Material</u>
Evangelism
Biblical Decisions
Spiritual Gifts & You
In Pursuit of Holiness
Spending Your Years in Prosperity
Can God Really Meet Your Need
“The Rapture – End Times”

Email: TSell61153@gmail.com
www.tyronesellersministries.org

<u>Financial and Accounting Services</u>
Tyrone A. Sellers, CPA
tyrone@tasellerscpa.com
www.tasellerscpa.com