

Is Debt Unbiblical?

By Pastor Doug Humphrey

I wanted to take a moment to respond to the perception of some that TCC's willingness to assume mortgage debt on a planned addition may be unbiblical and/or at odds with the teaching of Dave Ramsey, a popular expert on financial management.

Contrary to what some believe, Dave Ramsey does not teach that debt on a home mortgage is wrong or unbiblical. Of course, he would prefer that all of us live totally debt free, and that is surely sound advice. However, Dave suggests that when assuming debt on a home mortgage, your payment on a 15 year mortgage should not exceed 25% of your take home income. The traditional wisdom has been that payments should not exceed 33% of take home income. So, on this point, Dave is more conservative than most, and I believe he is wise in his thinking.

When comparing home mortgage debt to church mortgage debt, churches have a decided advantage. In a home mortgage the loss of a job can be devastating. Although possible, it is highly unlikely that everyone in a church will lose their jobs at the same time. That is why, in general, church loans are considered by financial institutions to be much less risky than home mortgages.

It is important to recognize that the Bible does not teach that debt is inherently unbiblical. In the Old Testament debt was a normal part of life and business. However, in the theocracy of Israel God required that debts be wiped clean after seven years (Deuteronomy 15:1, Nehemiah 5:7, Proverbs 28:8). I wish the U.S government would make such a law! My point is that debt is not inherently unbiblical, but it becomes "unbiblical" precisely when the borrower is put in a position to become the lender's slave (Proverbs 22:7). That is what must be avoided at all costs. Mortgage debt certainly does not fall into this category when the asset in question is an appreciating asset.

When it comes to how we manage money, the issue is one of stewardship. A key question to ask is, "How can I invest God's resources in a way that will likely bring a positive monetary/spiritual return?" Sometimes a decision to assume mortgage debt is actually very shrewd monetary decision. For example, it may reflect wise stewardship for a church to assume a manageable level of debt when faced with a market where building costs are expected to escalate quickly and interest rates are low, but expected to rise in the near future. That is precisely the scenario our church is faced with at the moment.

Also factoring into our willingness to take on debt is the realization that a failure to expand our facilities will hinder our ability to continue reaching our community for Christ. We are willing to assume a manageable level of debt if that enables more people to come to faith in Christ and grow as his disciples. In other words, in our mind, the spiritual rewards seem to vastly outweigh the monetary risks. Jesus himself said, "What profit is it to gain the whole world and lose your soul?" In other words, Jesus understood that a single human soul is more valuable than all the world's possessions combined.

Please know that the leadership at TCC is now and always has been very conservative when it comes to the question of debt. We will not put ourselves in a risky financial position, nor will we violate Biblical principles in the pursuit of ministry goals. As previously argued, debt is not inherently unbiblical. It becomes unbiblical when the borrower is put in a position to become the lender's slave. We will not put ourselves in this position. Conversely, we must be aware of the powerful hold money can have on our lives. As Christ's disciples we must be willing to invest our earthly resources to advance eternal goals. God gives us more than we need precisely so that we can use the surplus to advance God's purposes in the world. At TCC we are committed to advancing God's kingdom.