



WHEN FAITH IS INVOLVED, FINANCIAL DECISIONS BECOME MUCH MORE MANAGEABLE.



BUILDING A DEBT-FREE FUTURE

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As confidence in the world economy is shaken, there is one truth we know we can trust: that the Lord wants to help us. We grow closer to Him as we seek His help with any problems, including financial ones. Here we share four gospel-based principles for avoiding or getting out of debt. We have confidence that if you prayerfully consider these principles, the Lord will help guide you toward a firmer financial future.

1. Ponder where your choices will lead before you make a financial decision.

President Dallin H. Oaks, First Counselor in the First Presidency, said: “We make better choices and decisions if we look at the alternatives and ponder where they will lead. As we do, we will be following President Russell M. Nelson’s counsel to begin with the end in mind.”¹

Before accepting any debt, ask yourself, “Am I borrowing for a *need* or a *want*?” And

carefully consider interest rates and the potential for financial bondage. It’s usually better to save and sacrifice for what you need rather than borrow and pay interest. If your choices lead you closer to your Savior, including obeying His commandments to get and stay out of debt, you are moving in the right direction.

2. Learn from your challenges.

The Lord said, “I give unto men weakness that they may be humble; and my grace is sufficient for all men that humble themselves before me; for if they humble themselves before me, and have faith in me, then will I make weak things become strong unto them” (Ether 12:27). Weakness, which can cause us to make a financial mistake, is given to help us humble ourselves and have faith and trust in Christ. As you deal with debt challenges, ask, “What is the Lord trying to teach me from my problems?” As you humble yourself, strengthen your faith in Christ, and ask prayerfully, you will find great insights, direction, and motivation. Moreover, you can find the peace that comes from



following this principle: “If ye are prepared ye shall not fear” (Doctrine and Covenants 38:30).

3. Focus on principles and truths relating to debt.

Understanding the principles of debt includes knowing yourself, your vision, and your goals. It includes seeking, receiving, and acting on the Spirit’s guidance. The Spirit can teach us all things, including how to be better at handling our finances.

Understanding the key areas of debt also includes heeding your leaders’ counsel to get and stay out of debt and the scriptural commandment to “pay thy debt, and live” (2 Kings 4:7). It includes setting goals and paying as you go. And if you’re already in debt, it includes prioritizing your goals, developing a repayment plan, and following through until the debt is gone.

Focusing on eternal truths and keeping the commandments is critical. This includes knowing your true identity—a child of God (see Psalm 82:6) who can do hard things. Attend Church meetings, and strive to put the Lord first.

One of the most powerful principles we can focus on is that of tithing, which prophets have said will invite blessings. As President Oaks once taught, “Tithing is a commandment with a promise.” The Lord will bless, both temporally and spiritually, those who faithfully pay a full tithe. And, President Oaks said, the Lord will bless their nations as well.²

Being a good caretaker over all that God has given you (see 2 Nephi 9:51) and having gratitude will also be helpful. And finally,

accountability is especially important, meaning that you hold yourself accountable not only for your words, thoughts, and actions but also for every dollar that goes through your hands (see Doctrine and Covenants 72:3).

Work on strengthening your understanding of these important principles and truths, and they will give you the spiritual power, protection, and direction promised by Elder David A. Bednar of the Quorum of the Twelve Apostles: “The answers always are in the doctrines and principles! And the doctrines and principles need to be in us!”³

4. Understand the keys to tackle debt effectively.

- *Build and maintain your emergency fund.* Keep three to six months’ worth of income in an emergency fund. When you have an emergency fund, it changes emergencies into inconveniences. If you have a sudden emergency surgery, for example, you can pay off your medical bills quickly instead of making payments

for months. Once you use these emergency funds, replenish them as soon as possible for future emergencies.

- *Be wise in your use of debt.* President James E. Faust (1920–2007), Second Counselor in the First Presidency, taught, “Over the years the wise counsel of our leaders has been to avoid debt except for the purchase of a home or to pay for an education.”⁴ Try to borrow only for your home and education, as advised by the prophets. The less you borrow, the less you need to pay back. Be wise in your use of any debt, and keep your payback amounts in perspective.
- *Keep interest rates low and terms short.* If you must borrow, borrow at interest rates as low as possible and keep the terms as short as possible. Avoid high-interest consumer and credit card loans.
- *Pay off debt quickly.* If in debt, reduce your standard of living until you are out of all debt (except perhaps your home mortgage). Budget and cut your expenses to the minimum amount possible, and pay off your debt quickly.
- *As you pay down debt, continue long-term investments.* Though becoming debt free is a priority, it is often wise to continue to contribute to long-term investments (for example, retirement funds, especially when they are matched by your employer) while paying off debts.

Faith in the Lord’s Help

The Lord reminded the Prophet Joseph Smith, “And inasmuch as you are diligent and humble, and exercise the prayer of faith, behold, I will soften the hearts of those to whom you are in debt, until I shall send means unto you for your deliverance” (Doctrine and Covenants 104:80).

As this scripture teaches, our financial challenges can help us develop more diligence, humility, prayer, and greater faith in Jesus Christ. He can calm our troubled hearts and guide our daily decisions. Staying close to Him will help us eventually weather whatever economic storms currently surround us. ■

NOTES

1. Dallin H. Oaks, “Where Will This Lead?” *Ensign*, May 2019, 62.
2. See Dallin H. Oaks, “Tithing,” *Ensign*, May 1994, 34.
3. David A. Bednar, *Increase in Learning* (2011), 170.
4. James E. Faust, “Doing the Best Things in the Worst Times,” *Ensign*, Aug. 1984, 43.
5. Thomas S. Monson, “Constant Truths for Changing Times,” *Ensign*, May 2005, 20.



Words of Financial Wisdom

“Avoid the philosophy and excuse that yesterday’s luxuries have become today’s necessities. They aren’t necessities unless we ourselves make them such. . . . It is essential for us to live within our means.”⁵ —President Thomas S. Monson (1927–2018)

DISCOVER MORE

Find additional financial resources at the Church’s Provident Living website (providentliving.ChurchofJesusChrist.org) and at the BYU Personal Finance website (personalfinance.byu.edu). To explore what Church leaders have said on the subject, go to gc.ChurchofJesusChrist.org, and under the “Topic” menu, select “financial management.”

