

## Financial Freedom

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This year millions of young adults will receive invitations to apply for a credit card. In fact, a survey a few years ago found that 65% of all college students have at least one credit card with an average balance of about \$2000 per card. In addition, many young people will leave college this spring with educational debts amounting to thousands of dollars.

In generations past, going to college was generally seen as a time of sacrifice and frugality. Many young people worked their way through college. Often they were unable to afford new clothes; sometimes they didn't even have enough money for all 21 meals in the week. They sacrificed because they saw a college education as their stepping stone to the future.

But things changed in the 1960's and 1970's. Borrowing money, not saving and sacrifice, became the accepted way to finance a college education.

Moderate borrowing for a college education may sometimes be a good investment. Studies confirm that the average salaries of college graduates are significantly higher than those with less education.

However, the problem today is that many persons see borrowing as the primary way of financing a college education. In addition, students who borrow to the maximum in order to finance their education often give little thought to using credit card debt to finance whatever else they might desire. As one new college student put it, "I'm finally on my own and I think it's time that I'm entitled to get whatever I want."

To a large degree, the change in the attitude young people have toward credit is just a reflection of our times. Instead of buying with cash, many American adults buy cars, furniture, vacations and sometimes even food with money that has not yet been earned. Living by credit has become a way of life. One's credit rating has often become more important than one's bank account.

The opportunity to buy now and pay later allows persons to become impulse buyers. Savers tend to think and then spend while borrowers tend to spend and then think.

Financial freedom is not having a good credit rating; financial freedom is saving enough to live as you choose without having any bills at all. According to the Bible, *"The borrower is the servant of the lender"* (Proverbs 22:7).

The Bible says that the Lord teaches discipline to those he loves (Hebrews 12:7-11). In the same way, parents who set a good example and teach their offspring proper financial management are giving them a gift of love.

Co-signing a car loan, a credit card application, or any other loan for a child who has not demonstrated good financial management is like handing him or her a ticking time bomb. At first it seems harmless enough, but as the bills begin to pour in he or she is caught in a countdown that eventually leads to financial meltdown.

For many young adults, the road to financial freedom lies with tearing up the credit card applications and starting an investment account.

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