

# Ramsey's rules for financial redirection

By John W. Kennedy

**Growing up** in the Nashville suburb of Antioch, Tenn., Dave Ramsey had honest, hardworking parents who made a living as real estate agents. They were more likely to be attending an open house than a house of worship on Sundays.

Ramsey followed in his family's footsteps after graduating from the University of Tennessee in 1982 with a degree in finance and real estate. Soon he and his wife, Sharon, whom he met in college, started buying and selling property with aplomb. By age 26, Ramsey amassed a \$4 million real estate portfolio.

But the Ramseys borrowed too much money. And when another financial institution bought the bank that loaned them all the credit, the couple began to default on short-term loans. Within 2½ years of making \$250,000 annually, they filed bankruptcy.

The financial turmoil naturally resulted in an emotional rift between the spouses, who by this time had two young children. They stayed together, in part, because they didn't have enough money to leave each other.

But more importantly, the couple had a spiritual walk that kept their marriage intact. At age 24, Ramsey attended a motivational sales training seminar in which the impressive and credible speaker ended his presentation with a challenge to the audience: Anyone who really wants to be a success can't leave God out of his life.

Ramsey went home from the seminar and told his wife they needed to start attending church, which they did.

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"I met God on the way up the real estate ladder, but I really got to know Him on the way down," says Ramsey, now 48. "Pain and fear and hopelessness always lead you in a special way into the throne room."

In the midst of his despair, Ramsey devoured the Bible and asked Jesus to be his Savior. The Ramseys began teaching teenagers at church. Then the pastor asked Ramsey to teach a Sunday School class about money to those in college. By this time, Ramsey already had read all that Christian financial expert pioneers Larry Burkett and Ron Blue had written. He compiled his own book, the first version of *Financial Peace*, about God's way of handling money based on what he learned from the mistakes he had made. Class attendance swelled from 35 to 350.

Ramsey continued to sell real estate and — out of the trunk of his car — copies of *Financial Peace*. "It takes selling a lot of \$12 books to eat," he says.

In 1992, Ramsey made a life-changing decision. He agreed to fill in as host of a one-hour daily radio show at a station in finan-

Ramsey is a fast-talking, in-your-face kind of guy whose tough-love guidance over the airwaves from Nashville connects with a lot of Americans. Every few minutes on his three-hour weekday afternoon radio program, callers who recently paid off massive amounts of credit card obligations scream, "I'm debt free!"

Unlike most money experts who are Christian, Ramsey gained entrée into secular radio, resonating in a market beyond the evangelical niche. He is syndicated on more than 400 radio stations, fewer than 40 of them Christian. He also is on subscription-based satellite radio. Weekly he has 3 million listeners.

"I sell a lot of books in Christian settings and speak in a lot of churches, but my calling is in the mainstream marketplace," Ramsey says.

Yet Ramsey, at intentionally strategic times, is overtly Christian and boldly proclaims his faith on the program. For instance, if a caller identifies himself as a Christian and says that his car has just been repossessed, Ramsey will quote a Scripture, such as Proverbs 22:7: "The rich rule over the poor, and the borrower is servant to the lender" (NIV).

Sometimes Ramsey's biblical paraphrases are more blunt: "If you sow stupid, you reap desperate and broke."

Ramsey doesn't have much patience for Christians looking for God to bail them out of the unintelligent financial decisions they've made in a society where easy pre-approved credit has contributed mightily to the current economic mess. Ramsey says too many consumers have fallen prey to sophisticated marketing schemes of financial institutions.

"We've come to believe debt is a way of life, that the way to prosper is through the use of a credit card, that you can't be a student without a student loan," Ramsey says.

"I've done stupid with zeroes on the end. But our Heavenly Father loves us enough to show us the right way to do it, even if the path to get there is a little bit painful."

"I've cried over this stuff, too. I've done stupid with zeroes on the end. But our Heavenly Father loves us enough to show us the right way to do it, even if the path to get there is a little bit painful."

Ramsey believes he has made inroads into the mainstream market because of credibility gained through firsthand experience at failing to get a grip on finances.

"I went broke a few years ago," Ramsey says. "If somebody's hurting, I can relate. I'm a wounded healer."

In the couple of minutes or so of interaction that Ramsey has with each caller he says he must rely on the Holy Spirit's guidance to decipher whether a tender or brusque response is necessary. Whichever method he uses, he wants the listener to emerge with a plan of action.

"I don't want to jump down the throat of a hopeless person," Ramsey says. "But I don't want to love on somebody too tenderly

who is slothful. There are plenty of people who are poor because they are taken advantage of and oppressed, but one of the reasons the Bible says the poor will always be with us is because the lazy won't get up and work."

Still, the Ramseys have formed a program called Share It, which they finance heavily from their own income. Share It enables disadvantaged people — prisoners, unwed mothers, recovering drug addicts, those in low-income housing, victims of domestic violence — to attend classes for free to learn God's way of handling money.

More than 750,000 people have completed Ramsey's *Financial Peace University*, a 13-week course that he says enables the average family to pay off \$5,300 in debt and save \$2,700 in the

first 91 days. In addition, 500,000 people have attended live events Ramsey has hosted to promote the rapid eradication of debt, based on his book *The Total Money Make-over*. At the end of his talks he always talks about the importance of the Lord.

"There's not one time in the Bible where God uses debt to bless His people," Ramsey says. "A person will not lose his salvation for borrowing; it's not my job to tell people they are going to hell because of a mortgage. But if you're a Christian and you use Scripture as your standard, every time debt is mentioned it's a curse and you're a slave."

Ramsey's no-nonsense approach to money has landed three of his books on *The New York Times* best-seller list. While thousands of

Americans have heeded Ramsey's message, many others aren't listening.

"The statistics of pain are getting worse every year," Ramsey says. "We have more people getting behind on credit cards, more people filing bankruptcy, more people in foreclosure right now than we've ever had in this nation."

But numerous families are making better decisions and changing because of Ramsey's advice. And that means more people are saving — and giving money to their churches. **tpe**


JOHN W. KENNEDY is news editor of *Today's Pentecostal Evangel* and blogs at Midlife Musings ([jkennedy.agblogger.org](http://jkennedy.agblogger.org)).

E-mail your comments to [tpe@ag.org](mailto:tpe@ag.org).



Dave Ramsey speaks to a crowd attending his *Financial Peace* seminar in Nashville, Tenn.

cial straits. That evolved into *The Dave Ramsey Show*, a national broadcast that continues today with the frank and humorous host serving as a personal money management expert.



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