



Debt is Slavery!

Debt is a voluntary form of slavery. Okay, I know, that sounds like a bold, rather kook'ish statement, but bare with me. Aside from committing a criminal act, being in debt gives others the most power over you, the most power to limit your time and money. In that sense, debt seriously limits your freedom. The opposite of freedom—slavery!

When you take out a loan, what happens? First, you create an obligation to repay the loan; no big deal, we know that. However, now you need a source of income to repay that loan, whether from a salary, business, etc. So, now you must spend precious *time* in an effort to generate the funds needed to repay the loan. Although, theoretically, you can earn more money, you can *never* make more time. So by being in debt, you sacrifice both time and money. This observation is true for any type of debt, mortgage, credit card, car loan, student loan, etc. The first retort of the debt addicted is that the debt is satisfying a need such as housing or transportation, which would need to be paid for anyway. I take issue with the last part of that comment; yes, housing and transportation is a need, but that need does not have to be satisfied with taking on debt (but that discussion is for another article).

Here is where debt slavery kicks in. What happens if you no longer can afford the bill? The true power you have given your lenders comes into play. If a mortgage, your lender can take your house. If a car loan, your lender can take your car. If an unsecured debt (e.g. credit cards), and assuming your state allows it (most do), your lender can garnish your income and raid your bank accounts. Less common, although legally possible, unsecured lenders can also take your house, car, and stuff. And yes, there is even one scenario in which your lenders can have you imprisoned. Your lenders don't need your permission; in one sense, you have already given your tacit consent; you have voluntarily enslaved your time and money to your creditors by being in debt. Just because you have consented to restrict your freedom doesn't make it any less a form of slavery.



Our founding fathers recognized this problem (as have many civilizations throughout history); bankruptcy was written into the U.S. Constitution as a reaction to what was going on in England at the time; England had debtor prisons. The Old Testament provided that debts shall be forgiven every 7 years (Deuteronomy 15:1-2). Bankruptcy is the modern embodiment of debt freedom.

Now, I am *not holier than thou*, I have debt, I have a mortgage and some lingering student loans. But I am doing everything I can to pay down those debts; the student loans will be paid off this year. But I have no car loans and no credit card debt and my mortgage is actually about half of what I could have qualified, my mortgage broker was taken-a-back by my stubbornness to stay within in a certain range.

Bankruptcy, and other debt solutions, exists so you can free your self from debt bondage. You only have 1 life, don't waste a good portion of it by being a slave to debt.

Note: there is a book by Michael Mihalik entitled Debt is Slavery, Copyright 2007. I have not read that book so any similarity is incidental, but the idea that debt is a type of slavery is not unique.

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