

STEWARDSHIP: RECESSION & WEALTH

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July 2009

WEALTH

- ✘ The followers of Christ are not to despise wealth; they are to look upon wealth as the Lord's entrusted talent – Counsels on Stewardship pg133
- ✘ The Bible does not condemn the rich man because he is rich; it does not declare the acquisition of wealth to be a sin, nor does it say that money is the root of all evil. On the contrary, the Scriptures state that it is God who gives the power to get wealth – pg 138

WEALTH (CONT.)

- ✘ It is the love of money that the word of God denounces as the root of all evil. Money itself is the gift of God to men, to be used with fidelity in His service. God blessed Abraham, and made him rich in cattle, in silver, and in gold. And the Bible states, as an evidence of divine favor, that God gave David, Solomon, Jehoshaphat, Hezekiah, very much riches and honor. {CS 139.1}

RECESSION

- × **Definition:**

State of economic decline (GDP, Employment & Trade) for more than 2 quarters

- × **Cause of this one**

Financial crisis/credit crunch

WHAT CAUSED THIS RECESSION

× Causes of the financial meltdown:

- + Packaging of individual loans and sold off to investors in various tranches of different investment grades;
- + Underpinned by:
 - × Ratings;
 - × Strong real estate market growth that seemed limitless
 - × Lax credit criteria (ninja loans) to keep with pressure to report robust results
 - × Valuations (thumb sucking)
- + \$3 trillion write down

EFFECTS

- ✘ Unavailability of credit
- ✘ Flight from developing currencies \$€£
- ✘ Unemployment
- ✘ Job losses
- ✘ Suicides

LESSONS

- ✘ Live within your means
- ✘ Dead debt vs. productive debt
- ✘ Biblical debt principles (7 years)
- ✘ Capital preservation
- ✘ Cash is always king
- ✘ Create sufficient reserves (6 months)

WHAT IF ITS TOO LATE

- ✘ Seek debt counseling
- ✘ Speak to Treasury/Stewardship department
- ✘ Pastoral counseling (financial difficulties are a leading cause of divorce)

INTERNAL SUPPORT

- ✘ Not sufficient
- ✘ Internal Database
- ✘ Prayer chains