



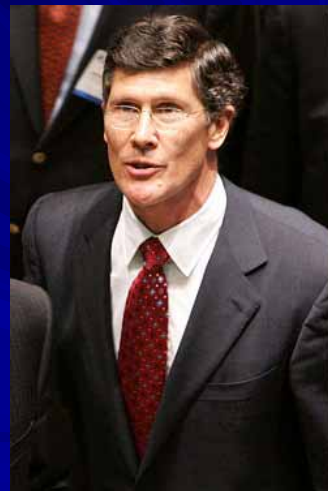
U.S. Financial Problems



- Bernard Madoff
 - Prominent Jewish philanthropist
 - Arrested Dec 12, 2008
 - Charged with “Ponzi Scheme” fraud involving \$50 billion

U.S. Financial Problems

- John Thain
 - Former Merrill Lynch CEO
 - Spent \$1.2 million redecorating his office, including \$35,000 antique commode and \$1,400 wastebasket
 - Gave \$121 million in bonuses to four top executives and \$3.6 billion in all—with Bank of America’s “apparent complicity”



U.S. Financial Problems



- John Taylor
 - Stanford economist
 - Wrote book last year titled “Getting Off Track: How Government Actions and Interventions Caused, Prolonged and Worsened the Financial Crisis”

U.S. Financial Problems

- From American Enterprise Institute for Public Policy Research:
“Government policies, especially the Community Reinvestment Act and the affordable housing mission that Fannie Mae and Freddie Mac were charged with fulfilling, are to blame for the financial crisis. Regulators also merit culpability for mandating the reduced lending standards that were essential to the growth in home ownership and the housing bubble.”

http://www.aei.org/publications/filter.all,pubID.29372/pub_detail.asp

Greed and Money



Greed

- Mat 6:19-20 "Lay not up for yourselves treasures upon earth...but lay up for yourselves treasures in heaven..."
- Luke 12:15 "Take heed and beware of covetousness..."
- 1Tim 6:8 "Having food and raiment let us be therewith content."
- V 9 "But they that desire to be rich fall into temptation and a snare..."

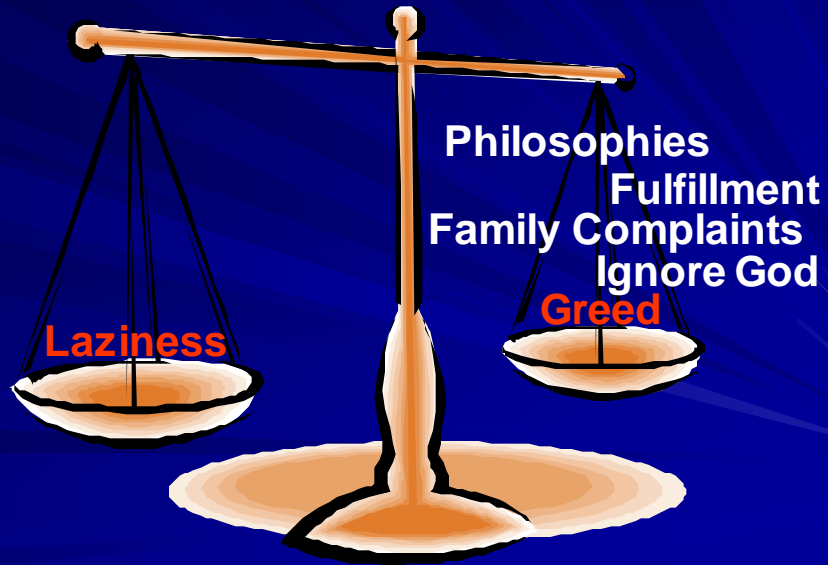
Greed

- 1Tim 6:10 “For the love of money is a root of all kinds of evil, for which some have strayed from the faith in their greediness, and pierced themselves through with many sorrows.”
- Heb 13:5 “Let your conduct be without covetousness, and be content with such things as you have.”

Laziness

- Prov 6:6 “Go to the ant, you sluggard!”
- Prov 10:4 “He who deals with a slack hand becomes poor...”
- Prov 12:24 “The hand of the diligent will rule, but the slothful will be put to forced labor.”
- Prov 13:22 “A good man leaves an inheritance for his children’s children...”

Getting the Balance



Getting the Balance



Getting the Balance



Managing Money



Debt

- Prov 22:7 “The borrower is servant to the lender.”
- 81% of Americans say money is the #1 factor in their stress levels (2008 survey APA)
- Average credit card debt in all American households is \$8,400
- 29% of teens are already in debt
- In 2005 more young adults filed for bankruptcy than graduated from college

Debt

- Pay cash
- Don't borrow—especially on credit cards
- Avoid impulse spending
- Average consumer is exposed to over 3,000 marketing messages every day
- Materialism:
“...causes people to spend money they don't have to buy things they don't need to impress people they don't even like.”

Debt

- If you use a credit card, pay it off in full every month
- Paying the minimum on a \$1,000 charge on the average credit card will mean it takes you 22 years to pay off the balance—and it will cost you a total of \$3,300 for that item.
- Get out of debt if you're already there

Getting Out of Debt

- \$2,000 balance on credit card @ 12%
- \$350 loan @ 9%
- \$5,000 loan @ 25%
- Which would you work to pay off first with every extra dollar?

Getting Out of Debt

Suze Orman / Clark Howard

“Laddering” – highest interest rate first

- \$5,000 loan @ 25%
- \$2,000 balance on credit card @ 12%
- \$350 loan @ 9%
- In that order

Getting Out of Debt

Dave Ramsey

Smallest balance first, then next smallest

- \$350 loan @ 9%
- \$2,000 balance on credit card @ 12%
- \$5,000 loan @ 25%
- In that order

Christian Stewardship—Money

- Avoid greed and laziness
- Avoid debt—get out of all you can if you're in debt
- Use credit card(s) responsibly or use cash
- Save up for bad times (3-6 months of expenses—Dave Ramsey—OR 8 months—Suze Orman)
- Put your real trust in God