

Weathering the economic storm. Recession Ready?

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Weathering the economic storm. Recession ready?

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Weathering the economic storm. Recession ready?

The church and the economic storm

In October 1987, BBC weatherman Michael Fish famously assured viewers that no hurricane was on the way.¹ We woke up to the after effects of the biggest storm in Britain since 1703. Twenty years later we went to bed assured of an end to a boom and bust economy, comfortable with our record levels of borrowing, secure in the rising value of our homes and confident enough to keep spending. We woke up to the first run on a British bank in 100 years. It proved to be the first gusts of a financial storm that shows no sign of blowing itself out. Since then a banking crisis has been narrowly averted, the retail and financial services industries are suffering heavy losses and billions of pounds have been spent to try and stimulate lending and borrowing between the banks.

The economic outlook is gloomy; people are understandably anxious, even fearful about savings, homes, jobs and the future. We must not underestimate this. Christians are not immune to the effects of the recession, but the economy of God is built on a different set of principles. We can trust God for our personal needs and the communities in which we live: *'Seek the peace and prosperity of the city to which I have carried you into exile. Pray to the Lord for it, because if it prospers, you too will prosper.'* (Jeremiah 29:7). But while 2009 will surely be a year of depressing headlines, we need not be gripped by fear, but have a new hope and new confidence - and new opportunity.

A new opportunity

Since the collapse of communism, few questions have been asked of capitalism. But there seems now to be a new mood, a critical reappraisal of capitalism, or at least of Selfish Capitalism:²

Arguably the global economic crisis will turn out to be more significant for us and other developed economies than the collapse of communism. A New Capitalism is likely to emerge from the rubble. For many, the New Capitalism may well seem fairer and less alienating than the model of the past 30 years, in that the system's salvation may require it to be kinder, gentler, less divisive, less of a casino in which the winner takes all.³

"give me neither poverty nor riches, but give me only my daily bread. Otherwise, I may have too much and disown you and say, 'Who is the Lord?' Or I may become poor and steal, and so dishonour the name of my God."

Proverbs 30:8-9

The economic storm will require churches to respond pastorally and practically to the impact of unemployment, home repossessions, personal debt and money anxiety.⁴ This in itself is a challenge to church leaders who may themselves be struggling to cope, lacking confidence to talk about God as our supply, unsure how to respond or fearful of being overwhelmed by need. But the crisis also presents an opportunity to the church to speak a contemporary, even prophetic word within society. The biblical material on wealth and possessions is rich and challenging and the Church has strong traditions of social thought upon which to draw. Our

¹ History has not been kind to Michael Fish! He was referring to a completely different part of the world.

² Oliver James, *The Selfish Capitalist*

³ Robert Peston 8th December 2008

⁴ A good place to start is www.red2black.org.uk

attitudes and actions around money – as Christians and not just as consumers – can reflect hope, joy, gratitude, faith, and contentment at the very least – and so cause ‘our light to shine before men, that they may see your good deeds and praise your Father in heaven’ (Matthew 5:16)

I sold my soul and got a good price

The first credit card was introduced in 1966, but the explosion on personal debt really began with the relaxation of the rules governing consumer credit in 1974. In 1970, the household sector debt to income ratio was just 40%; by 2005 it had risen to 140%. We were happy borrowing and the banks were more than happy to lend to us. Ironically, what they lent to us the banks had themselves borrowed from other sources. At the end of 2008, total private and public borrowing in the UK was around £4 trillion, which is just over 300% of our Gross Domestic Product.

Two of the strongest drives in most peoples’ lives are fear and greed. Over the past fifteen years, until the beginning of 2008, greed predominated.⁵ In fact we might say greed became a national obsession. Banks increasingly lent ever greater multiples of salary and were even prepared to lend 125% of house value, so that we could all furnish our new house and maybe buy a new car with other peoples’ money. This trend was only mirroring what was happening in the USA. Even the Government decided that prudence no longer needed to be addressed, as “boom and bust” had apparently been eradicated. So in prosperous years we spent even more, totally ignoring the Biblical concept of saving in the good times [as Joseph did in the seven years of feast [Genesis 41:30] and the ant did in summer [Proverbs 6:8]] to make sure there was enough in the bad.

But by late 2007, banks in America began to realise that many of the poorer people to whom they had lent large sums of money, so they could get on the property ladder, were unable to make repayments. This was the so called sub prime housing market. As a result lending stopped, house prices fell and the billions of dollars of loans that had been put into packages and sold all round the banking system were worthless.⁶ Suddenly the banks were sitting on billions of toxic ‘assets’. They became nervous of lending to other banks for fear they would not be repaid and the credit crunch was born. Falling liquidity⁷ rapidly started impacting all other sections of society and Governments had to make huge financial investments to keep banks afloat, companies solvent and prevent unemployment spiralling out of control.

Are we Christians any different?

Biblical prophets like Amos (2:6-8) and Isaiah (5:7ff) were not frightened to challenge both the extravagance of the rich and their exploitation of the poor. But scripture stubbornly refuses to let the rest of us off the hook! Paul disconcertingly calls greed idolatry (Colossians 3:5; Ephesians 5:3,5) casually dropping it into lists of sins including jealousy, impurity, gossip and obscenity. The people of Israel once made a calf of gold, placed it at the centre of the community and worshipped it. Frankly we have done the same. Millions of us kept borrowing and shopping, enjoying the economic boom which delivered easy credit and cheap mortgages and falling

⁵ As Alan Greenspan noted, *people have always been greedy but today there are far more opportunities to express that greed. After the Enron scandal Greenspan, then chair of the Federal Reserve, spoke of a ‘culture of infectious greed’.*

⁶ *In ways too technical and complex for most people to understand sub prime loans were re-bundled and sold on to other financial institutions as high quality investments. Few people realised the risks involved and anyway the money to be made in these financial transactions was enormous – until the bubble burst.*

⁷ Liquidity is the flow of cash, either from sales or borrowing needed to keep a business with sufficient cash resources to trade normally

prices of consumer goods. Humbly, we should acknowledge that we may have been just as guilty as everyone else in putting our confidence in the temporal things of this world⁸.

As believers, we should have an eternal perspective, rooted in an eternal relationship with Jesus. Our priorities should be radically different from those of non-believers. It is with Jesus that we find love, joy, peace and security. We should be careful not to find security in the value of our houses, bank accounts, pensions or investments, where 'moth and rust' destroy. Yet at Christian conferences, we largely want gifts, such as healing and prophecy rather than giving. We buy a worship CD rather than support a child in the Third World and expect to see the rich young ruler on the platform rather than the self-sacrificing widow with her mite. Dying to self will mean relinquishing treasures on earth. Jesus was not polite about these things:

What good is it for a man to gain the whole world yet lose his soul? [Matthew 16:26]
Every one of you must give up everything he has or he cannot be my disciple [Luke 14:33]

If you have not been trustworthy in handling worldly wealth then who will trust you with true riches? [Luke 16:11]

Be on your guard against all kind of greed. A man's life does not consist in the abundance of his possessions [Matthew 12:15]

Do not store up for yourselves treasures on earth where moth and rust destroy and thieves break in and steal but store up for yourselves treasures in Heaven where moth and rust do not destroy and where thieves do not break in and steal. For where your treasure is there your heart will be also [Matthew 6:19-21]

You cannot serve both God and money [Matthew 6:24]

Have we been living in obedience to these words? We are called to hold on to things lightly – remembering that everything comes from him. We do not have to live a life of poverty, but we should live a life of great generosity. We do not relentlessly have to increase our standard of living, but we do need to keep raising our standard of giving. The question we have to ask ourselves is not "How can we live like the poorest people in the world" because we can't. Rather we need to ask "How am I going to live given that so many people made in God's image live so desperately. *In other words, when my needs are met, is my priority the needs of others, or to supply my wants?*"

Christian faith is not world denying asceticism, but the celebration of God's abundance: a rich creation, manna in the desert, wine at a wedding, loaves and fish for the hungry. It should be characterised by the lavish, almost reckless generosity and love which Jesus tells us will never be forgotten [Matthew 26:13].

Scripture, wealth and possessions

Scripture is often said to contain over 2,300 verses on the subject of wealth and possessions. Among the most powerful is Deuteronomy chapter 8. These words of Moses, spoken as Israel looks across the Jordan to a rich and Promised Land, pose a stark challenge: can an affluent

⁸ As a well known church leader told us recently " *This is not a time to point fingers at others, but to acknowledge where as Christians we've been caught up with the spirit of the age*"

people stay faithful to God in a land of abundance? ⁹ The passage suggests three core biblical perspectives on wealth and possessions.

Gift

God created a good world. Our physical bodies need material things and he himself took flesh at Bethlehem. Deuteronomy speaks of a good and an abundant gift given to the people. Therefore, gift must lie at the heart of our thinking about wealth and possessions. What does that mean in practice? Gift means practicing gratitude rather than taking things for granted or assuming that financial security is a right we claim for ourselves. Gift means holding our pay-slips prayerfully and giving thanks for enough. Remember, millions are on benefits or minimum wage; many tens of millions barely survive at all.¹⁰ Gift means *learning* contentment (Phil 4:12) because it won't just happen. Gift means celebration, receiving and marking what we have with joy. What a wonderful contrast to the prevailing culture around us!

"You shall eat your fill and bless the lord your God for the good land he has given you."

Deuteronomy 8:10

Obligation

Gift, says Deuteronomy, creates covenant obligation and our primary obligation is to be a generous people. Generosity is the antidote to our desire for more. Generosity honours God, not our chosen lifestyle with our first fruits. Generosity proclaims that Jesus is Lord of our finances. Generosity practices our obligation to the poor, to be open hearted and open handed (Deut 15:7-11). This covenant obligation is to both personal holiness and social justice. We must tread gently on the earth. When Scripture commands loans without interest to the poor, shouldn't we ask why the poor pay so much more for credit and why excessive interest and penalty charges drive people further into debt? If scripture calls us to live within our means, is it right that we expose ourselves to excessive borrowing? If around the world we can rescue banks to the tune of £5,000 billion¹¹ and nationalise a UK building society in a weekend, why is it so difficult to find the £150 billion to meet the Millennium Goals for the poorest people on earth?

"Whoever is kind to the poor lends to the Lord, and will be repaid in full."

Proverbs 19:17

Temptation

Scripture recognises that wealth has a unique capacity to capture our hearts.¹² Any sense of gift is undermined by our casual language of ownership, earning and deserving. Believing we are the authors of our own success undermines a sense of trust. Lifestyles we should know as gift become expectations that must be met. A culture of greed creates an environment in which excessive bonuses, risk taking, short selling or excessive credit become rational choices. Our short sighted focus on today, our privileging of the present diminishes our ability to delay gratification and to plan for the future. Ironically, the credit crunch may be the discipline we need to think again about our attitude to credit, to the balance of waiting and wanting.

"Do not say to yourself, my power and the strength of my own hand have gained me this wealth."

Deuteronomy 8:17

⁹ Land is one of the key theological themes in the bible but as theologian Walter Brueggeman points out, it is not an innocent theological claim. Please note that reference to the 'promised land' here involves no judgement whatsoever on the current unfolding tragedy in the Gaza strip. The crisis is testimony to the ongoing tensions around land, prosperity, security and social justice.

¹⁰ Gratitude, as a beautiful French proverb puts it, is the heart's memory. Gratitude remembers the Giver.

¹¹ Source: Robert Peston BBC blog 12th November 2008

¹² Money, says John Hull, is a means to so many ends that it becomes an end in itself

Recession ready?

How then can churches take action? The recession presents all our churches with an important opportunity to teach what has been neglected, to demonstrate faith and hope and to be the compassion of God to the most vulnerable in our congregations and communities.¹³ We encourage each church to be "recession ready", to think about, adapt and develop our suggested strategies below.

1. **Start talking money from the pulpit and in small groups.** Where scripture says so much, we have been too silent for too long - except when it comes to giving. We should start by reminding people that giving is an act of worship. Preaching with honesty, hope and humour also encourages people to talk about their personal situations. We must be real with one another, yet our conversations about money should build faith, seasoned with contentment, hope and joy.¹⁴
2. **Signpost to sources of local help and advice.** Quite literally, make a map of your local community resources: debt advice, emergency social services, SureStart, social fund details, the CAB and so on. Consider creating a "we believe" type of statement to outline the church's commitment to supporting people.
3. **Train a crisis response team.** Identify and recruit those with skills to support people who may be losing or have lost their jobs, their homes, and their savings. Find the good listeners to hear the stories, the advisors skilled in finance or benefits, the community gatekeepers who can reach the hard to reach. Let people in your community know about the availability of your team and how to contact them.
4. **Know how to deal with debt.** We are not all experts nor should we not try to be, but we should know how and where to refer people to professional debt advice. Publicise details of local authority debt advice centres, the local CAB and church based debt advice and debt charity CCCS: **0800 027 4995**.¹⁵ Train small teams who can help people prepare a budget, take control of their money.¹⁶
5. **Do some financial training.** Run courses for congregation and community which help people to budget, increase their financial capability, reduce exposure to debt and help them to hear God. Make available leaflets and written resources in financial matters.¹⁷
6. **Identify under-utilized resources** in your congregation and community. Who has a spare room to offer in an emergency? Who could make a car available to a needy individual or family? Who has time to accompany someone to the benefits office or even to court? Who could offer short term childcare for free or at nominal cost? Who could offer a meal for a family each week? Consider putting together emergency food

¹³ Where 'community' is not defined churches will find helpful the Square Mile Project sponsored by the Evangelical Alliance: to reach out and care for those in need within one square mile of their church.

¹⁴ The preaching and small group resources at www.red2black.org.uk are a starting point. See also www.themoneyrevolution.net and other resources at www.eauk.org

¹⁵ The Consumer Credit Counselling Service is the largest debt charity in the UK. Note also National Debtline on 0808 808 4000. For more details, including contact details of church based debt advice networks please see www.eauk.org

¹⁶ For personal budget coaching see www.red2black.org.uk

¹⁷ The Financial Services Authority offers easy guides to a range of money matters on its website and also as free hard copy publications. (<http://www.fsa.gov.uk/>) Credit Action publishes a number of excellent MoneyManuals at low cost. (www.creditaction.org.uk)

packs or baby packs. Consider creating an online list of tools, skills and other resources that people in your church might be willing to share with those in need.

7. **Establish a hardship fund.** Set some money aside as a church for emergency situations and invite individuals to contribute as well. Select a small team with the confidence of the church to administer this discreetly. One option is to use vouchers for food, school clothes or gas and electric meters. A local Credit Union may be a lifeline for people needing emergency funding or needing affordable credit.
8. **Remember the poor beyond the parish.** The global storm is hitting the world's poorest hard. Covenant as a church to maintain or increase current levels of mission and relief giving *even if giving to your church declines*. Honour the biblical commitment to the poor.
9. **Better together.** Church leaders and key people from all churches should brainstorm together what can be done in their area. Keep talking to other community groups and agencies to explore what is possible. Creative church partnerships with community groups have grown out of earlier times of difficulty. Consider partnering with others to help those that have lost their jobs not only to find work, but to actually create small businesses to help people make a fresh start.
10. **Prayer counts.** Encourage congregations to make the recession a focus for personal prayer. Keep the Sunday and midweek intercessions of the church real, focusing on people and issues and up to date with the news.

It will take the whole, rich and diverse church of God to meet the many needs of God's world. Look at ways to share your tried and tested "*mustard seed stories*", where faith moves economic and other mountains, when we serve the most vulnerable in our communities. Share these stories through the EA network (www.eauk.org) and Tom Sine's American network (www.msainfo.org). These recession readiness ideas were drawn in part from Tom Sine's presentation to the Evangelical Leadership Council at High Leigh on September 18, 2008"

To the manna born

It was God's provision of manna in desert scarcity that taught Israel (painfully and with much grumbling!) to trust (Exodus 16). Paul uses the same manna story to appeal for 'fair shares', the generous sharing between those who have and those who don't, between Corinth and Jerusalem (2 Cor 8). For all its real pain and difficulty, the recession can be a place where, as individuals and churches, we learn renewed trust and generosity. It can encourage us to look beyond ourselves to the needs of others. It can make us aware of the subtle pressures to have more – and perhaps such awareness is our best defence. An economic slump does not prevent us from walking with a confidence and a joy that comes from living by biblical principles of stewardship and practice a generosity which reflects the heart of God for his people and his world.

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