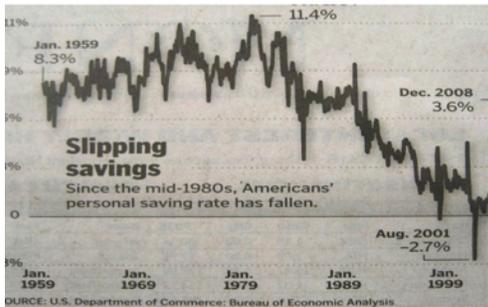


STEWARDSHIP OF THE ECONOMY

by Rev. Thomas Soltis, SELC Stewardship Director

A PRELUDE TO DISASTER

In the mid-1980's the average American household saved about a dime out of every dollar after taxes. In the pre-economic crash of 2007, the typical family stashed away barely a penny for every two dollars spent. Between 2001 and 2007, average household debt in the U.S. shot from 97 percent of disposable income to 133 percent! Escalating debt with little saved can only lead to financial disaster.



THE GLOOMY DOWNSIDE

When the housing bubble burst, Wall Street crashed and banks went begging. Consumer confidence shriveled. People, faced with losses and a bleak future, cut down on spending. When that happens, factories cut down production. Jobs are lost. With employment down, less is available for spending. The domino effect is devastating - a vicious cycle of "less demand - less supply".

THE BRIGHTER UPSIDE

The savings rate, almost at zero at the start of 2008, shot up to 2.8 percent by November. Credit card abuse has diminished. The Federal Reserve reported credit card borrowing dropped at an annual rate of \$7.94 billion in November, the largest fall in 65 years. Some people who are in debt can't borrow anymore. Others are caught up in the mortgage crisis. BUT NOT EVERYBODY. Some have been responsible stewards in the management of their money. They have good credit. They didn't panic and sell investments in order to survive. Those who wisely budgeted, did not live beyond their means, controlled their spending, did not abuse their credit cards and avoided risk investments are now in a position to spend and turn the

economic crisis into new opportunities. They are in a position to invest in our country's future economic stability. Some may even be able to increase their percentage of church giving to cover the loss of those who had to cut back.

FEAR PREVENTS

ECONOMIC PROGRESS

Fear produces panic. Afraid, many panicked during the recent crash and sold investments at a loss -for themselves and the company. As of March 3, 2009, the Dow dropped half of its former self (from 14,000 to 7,000) in just 17 months. Fear also prevents progress. Afraid, many hesitate to invest in the present economy. In the Parable of the Talents (Matthew 25:14-30) fear prevented the servant who received one talent (worth about \$1,000) from investing. He dug a hole in the ground and hid his master's money (v. 18). The master called him a "wicked, lazy servant" (v. 26). The other two servants, however, were generously rewarded by their master for investing their talents and doubling their money. It's time for Americans with means to dispel fear and invest!



PROTECT THE NEST EGG

Fidelity Investments reports that millions of American workers lost an average of 27 percent of their 401(k) retirement savings. Financial advisors caution against selling moves that will be costly in the long run. A disciplined control of fear is critical. Financial Counselors caution against stopping contributions to a 401(k) or reducing contributions. Lynn Lawrance of Financial Network Investment Corp. advises: "The more time you have, the greater the chance that you will recoup losses and the more you should be looking for opportunities to invest at bargain prices."