

GREED DESTROYS ECONOMIC STABILITY

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Greed - A Never Satisfied Trouble-Maker

Greed is one of the seven deadly sins. (The others are pride, envy, anger, dejection, gluttony and lust.) Greed is never satisfied and never satisfies. "Whoever loves money, never has money enough; whoever loves wealth is never satisfied with his income." (Ecclesiastes 5:10) Webster defines greed as "a selfish and grasping desire for possessions and wealth." It is a destroyer. Look what it did to Judas! It is a trouble maker. "He that is greedy of gain troubleth his own house." (Proverbs 15:27) Many are currently troubled regarding their houses because of greed. In order to enrich themselves, greedy lenders made loans to poor risk clients. Many of the borrowers were in turn greedy to own what they couldn't afford.

"Security"

Years ago when I was a child, one of my dad's nephews paid a visit. His purpose was to borrow money. My father asked him, "What do you have for security?" He had nothing. He didn't get the loan. He was a poor risk. Today's credit systems have discarded the "security" concept in favor of poor risk borrowers. The result? Financial chaos.



Black Monday III

Historically, the three big stock market crashes took place on Mondays - on Oct. 28, 1929, Oct. 19, 1987 and Sept. 29, 2008. The recent one triggered a \$700 billion rescue (bail-out) of Wall Street. The essential root cause? Greed! The Black Monday in 1929 kicked off the Great Depression. Its aftermath caused some to dislike banks and shun investing. A few kept

their money in the walls of their houses or mattresses. As time went on, mortgages became acceptable but it was felt that paying off the mortgage as soon as possible was essential. To obtain a 2nd mortgage in the old days was considered shameful. Later the name was changed to "home equity loan" and borrowing a second time was not as disgraceful. Then came "reverse mortgages" and in 1977, the CRA (Community Reinvestment Act) which led to a lot of irresponsible lending to people who basically could not afford the homes they desired. Many, bottomed out with credit card debt and poor credit ratings, were getting loans which they could not manage. Result? Crash!

Proper Investing

Take greed out of our capitalistic system and it works well. Investing with the motive of benefitting the workplace, business and industry is a way of sharing. It is a good deed. Buying stocks and bonds in order to enable a company to expand will produce jobs, goods and stimulate the economy. When legitimate profits are made, everyone is a winner. The investor receives dividends. The company enjoys profits. In the Parable of the Talents (Matt. 25:14-30) Jesus extols the investors who turned five talents into ten and two into four.

Greed Destroys Economic Stability

An Economics 101 college course will quickly reveal that gambling in the stock market produces economic instability. "Playing the market" as an investment tool to feed greed's unsatiable appetite with manipulative buying and selling is detrimental. "Short Selling" is so detrimental that the SEC recently adopted a ban on the practice. When stocks dramatically fall, people panic. Panic in a burning building kills people. Panic selling in the market kills stability.

The Grief in Greed

"People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil." (1 Tim.6:9-10)