



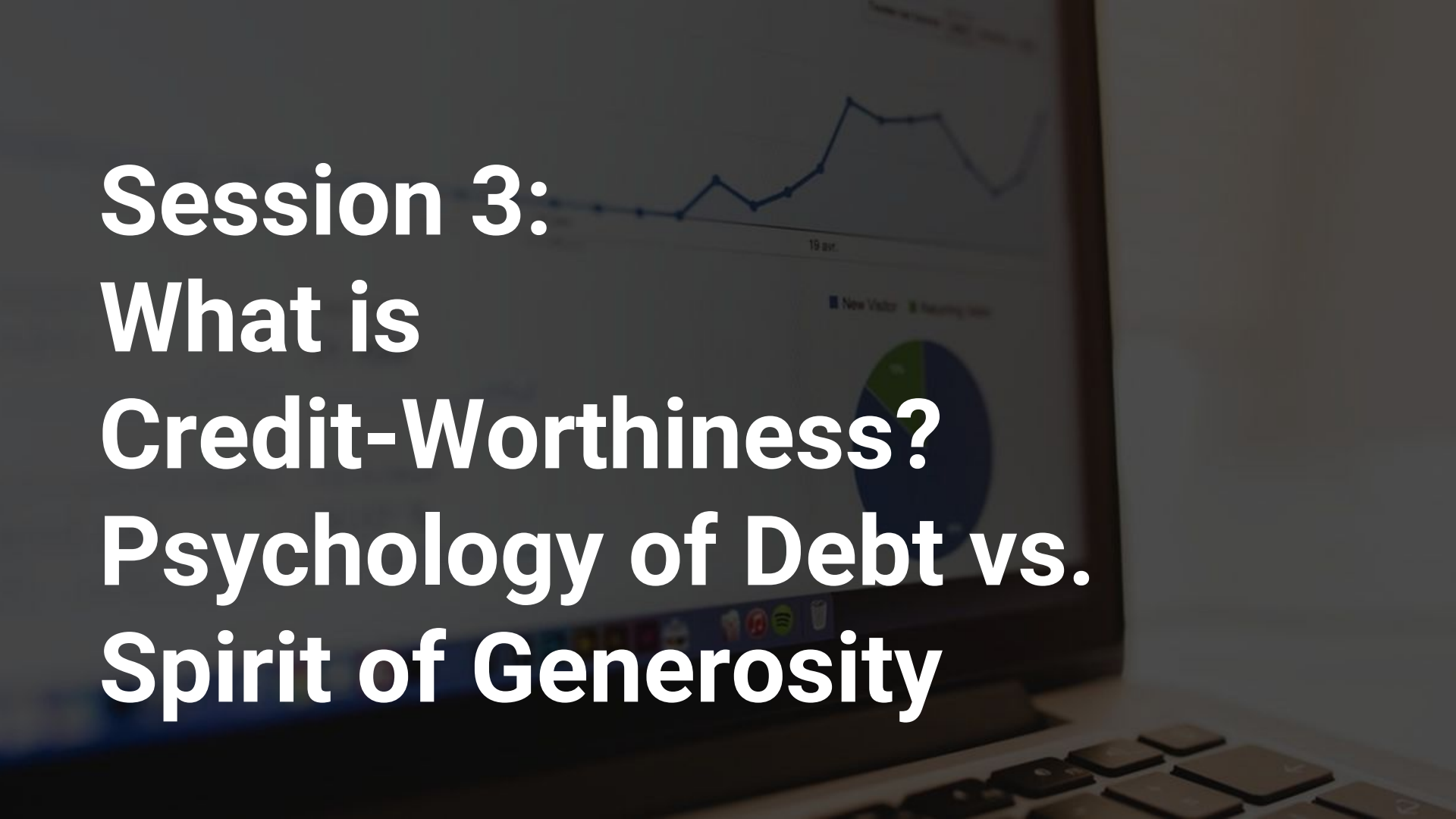
CAN Financial Institute

Session 3: September 30, 2018

While We're Waiting... Index Cards

- Use this time to fill out an Index Card on your seats and tell us...
 - What are your thoughts and reflections from the previous 2 sessions?
 - What were your expectations and have you found the information covered so far helpful?
 - Other questions and concerns since we have gotten through half of the material so far?

*Please bear in mind, we have read your comments and questions, and we are going to address them either in the last session, or reach out to you personally. All of these are confidential, but please write your name and contact info if you are looking to meet with us individually.

A laptop screen is shown in the background, displaying a data dashboard. The dashboard includes a line graph with a blue line and a pie chart with green and blue segments. The text is overlaid on the left side of the screen in a large, white, sans-serif font.

Session 3:
What is
Credit-Worthiness?
Psychology of Debt vs.
Spirit of Generosity

Roadmap: What to Expect In the Series

Session 1:

A Call to Financial Stewardship:
Uncovering Assumptions and Principles

Sept
9

Sept
23

Session 2:

Capitalism and Financial Enslavement in the
USA: A Brief Racialized History

Session 3:

What is Creditworthiness? Psychology of Debt vs
Spirit of Generosity

Sept
30

Oct
7

Session 4:

Towards a Common Purse:
From Financial
Individualism to Communal
Interdependence

In our first session, we shared how...

American Dream Says...

- *Financial matters are private*
- *Radical Individualism - Have enough wealth to not depend on others*
- *Inheritance by family and "fairness"*
- *Debt determines credit-worthiness*
- *Ownership is happiness (consumerism)*
- *Charity is good, but only out of excess*
- *"Bootstrap" attitude towards financial savviness*

Truly, truly we say unto you...

- *Help is available within community*
- *Radical community - practicing interdependence will lead to communal financial freedom*
- *Kinship and expansion of "family"*
- *Character and responsibility determines credit-worthiness*
- *Joy of sharing (community)*
- *Spirit of generosity is more important than quantity of giving/receiving*
- *Gratitude of receiving generosity as driving force - leads to generosity towards others*

In our Second Session we covered:

- A brief racialized history of America
- Economy is set up on:
 - Genocide of Indigenous peoples and theft of land
 - Slavery, and the continual oppression of African-Americans
 - Exclusion and exploitation of immigrants
- System is set up to pit POC against one another, as POC are systemically stripped of communal cultures and forced into hyper-individualism in order to serve as props for whites to be able to exclusively build wealth
- Point is that we are all victims of being pawns of the system, and we must create an alternative economy built on trust and community and character

Review: Goals of Session III

- Define creditworthiness: America vs. CAN
- Expose individualism as the foundation of capitalism that causes and perpetuates the psychology of debt
- Reinforce the idea that community and kinship are central to true financial freedom - spirit of generosity out of gratitude
- Continue defining Christian Financial Stewardship

Creditworthiness in America

- Debt defines creditworthiness in the American economic system - basic premise is, how well you can manage debt. 3 Bureaus - Equifax, Experian and Transunion
 - Excellent: 750+ Poor: 600-649
 - Good: 700-749 Bad: below 600
 - Fair: 650-699
- Breakdown of your FICO rating based on:
 - Payment history (35%)
 - Credit Utilization (30%)
 - Length of Credit (15%)
 - Mix of accounts (10%)
 - New Credit Inquiries (10%)

Creditworthiness in America

- Risk Assessment from Lender standpoint (cont'd):
 - Annual Income
 - Health of your Credit History (minimum 6 months)
 - How many reported delinquencies (30/60/90/collections/judgments etc)
 - Hard inquiries added in the recent 24 months
 - Soft Inquiry
 - Hard Inquiry
 - Consolidation of inquiries
 - Use of revolving debt
 - Available credit vs use
 - Closing credit cards

Creditworthiness in America

- In order for the average US citizen to have a great to excellent credit score (700-850), one must have a diversified debt portfolio (e.g., mortgage loan, car loan(s), credit card debt, personal loan debt, lines of credit, etcetera).
- Therefore, building credit is dependent on neverending consumption and taking out harder, and increasingly larger loans and deeper indebtedness.
- Furthermore, the system is always trying to extract the most from us by punishing us when we're too financially responsible (e.g., using cash/debit for everything thus not building credit) or when we're deemed a liability (e.g., missing payments or making minimum payments and interest rates are increased, etc).
- Also exclusion of those who come from other financial systems - immigrants

The Psychology of Debt: A Working Definition

Credit built on indebtedness inevitably also creates a stated normalcy of being in debt. You're not a responsible adult unless you have a mortgage or car loan. The American system normalizes and perpetuates psychology of debt for a purpose, and it causes individuals to think in dualistic terms.

Examples:

1. Do we spend or save? Do we splurge or hoard?
2. Do we trust God Our Lord, or do we trust the God of Money?

The Psychology of Debt Exacerbates These Common Responses:

- Anger
- Denial
- Stress
- Anxiety
- Depression
- Fear and Panic
- Secrecy, Silence, Judgment, and Isolation

Hyper-individualism + Psychology of Debt = Shame-based Financial Behaviors

- Comparison (e.g., keeping up with the Joneses)
- Lack of willpower
- Instant gratification
- Credit abuse and credit addiction

But we say unto you...

- Psychology is insufficient to access true freedom
- God is the OWNER and author of all things - our fundamental belief is that God allows us to be stewards, and we are to be faithful and responsible.
- Therefore, this is about character transformation, not getting control of your psychology or even your finances.
- Receiving is an indicative of relational centeredness, which leads to giving
- We need community and kinship (e.g., financial education, safety nets, etc), and a collectivist approach to finances, sharing/receiving, and everyday life
- Gift of the church is the language of confession, honesty, and transparency
- Character that is defined by gratitude and differentiation

Spirit of Generosity is defined by profound Gratitude

A spirit of generosity is profoundly grounded in gratitude to God, and one another. True spirit of generosity is not defined by how much you give, but HOW you give, and HOW you receive, as it is the fruit of the Spirit. Our gifts, our talents, our time, our monies are everything God created to be good, that is entrusted to us by the author and owner of all things. None of it BELONGS to us. It is stewarded to us, and we are responsible to use them faithfully to be anti-imperial and reallocate resources in a just way. The generosity in our spirit generates from the receiving deep understanding, love, and care by the Body of Christ to heal from the wounds of our victimization that we experience in this inhumane system. This spirit then, infused with gratitude, has no shades of entitlement, a need to control, justification for stinginess of extending hospitality and sharing of gifts, talents and time. Instead, this spirit encourages us to see the needs of others and ask for help in the time of our own needs, and to engage others with an open heart and mind. It presumes trust in one another, marked with differentiation and non-anxiety because care for others is not centered on self-gratification or control of outcomes. Generosity of Spirit sees clearly the truth about the system, sees its unfaithfulness and evils, and chooses to BE different entirely. It changes the goal as not wealth building out of insecurity and for self-interest, but to gain more access to resources so that they may ultimately be re-allocated in a faithful and just manner, in order to repair historical wrongs and injustices, and to build community out of true kinship. In other words, we use our gifts of knowledge, talents, finances, hospitality, time, and all good things God has given us to free one another in our boundness. This is radical activism, and a means to recover humanity in American society.

How do we get there?

- This is a LEARNING PROCESS that we are all striving towards, and there are no moral implications to not “being there” but there is harmful psychological effects to forcing yourself to be where you are not
- Two fold approach: Practical Financial Freedom and Freedom from Psychology of Debt
 - Cognitive learning and praxis
 - We must address crisis situations first!
 - All pursuits are anti-imperial, and are acts of radical activism. But one without the other, will lead us into hypocrisy
 - Central idea - we are responsible and faithful stewards
- We must do this communally - privilege and responsibility, transparency and generosity
- In the next session, we will explore the practices within our community that embody the spirit of generosity, and how to approach our individual finances

*However, not actively pursuing deeper faithfulness in this will inevitably perpetuate the racist and unjust system

Questions?

- Anything pertaining to the information covered in the last 3 sessions?