

# *Inside* Life

## GLOBAL CREDIT CRUNCH

**MORTGAGEE  
SALE**

**WHAT CAN YOU DO?**

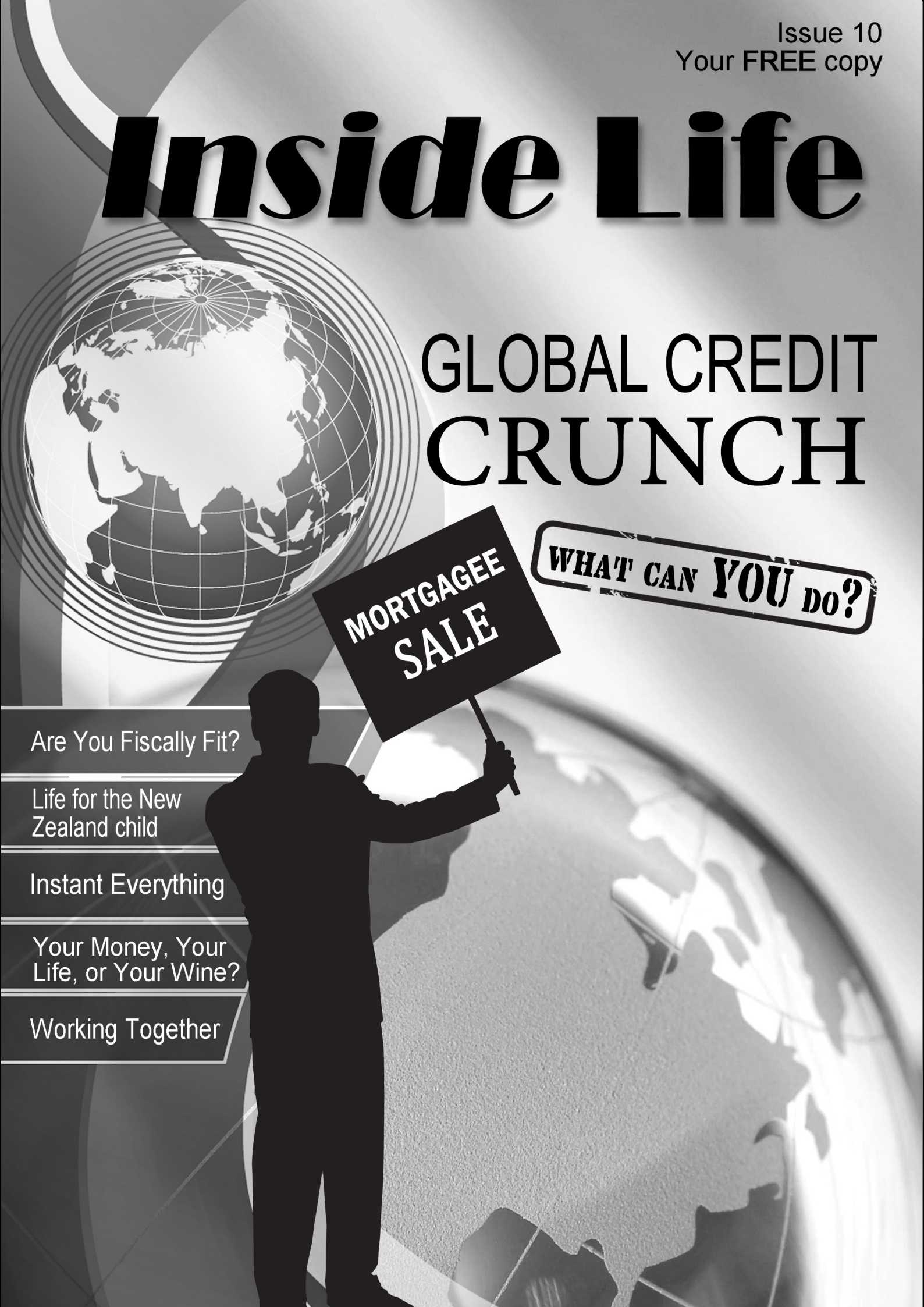
Are You Fiscally Fit?

Life for the New  
Zealand child

Instant Everything

Your Money, Your  
Life, or Your Wine?

Working Together



# Inside Life

A magazine of understanding

Number 10, May 2009



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### Inside Life

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**Inside Life** is a magazine of understanding. Rather than just reporting on life, **Inside Life** seeks to delve *inside* the marvellous mystery that is *life*, to discover what it is all about. What does life mean? Where did it come from? How can we make the most of it?

**Inside Life** seeks insight and answers to life's deep questions and challenges, and aims to provide articles of lasting hope, help and encouragement for successful living in today's fast-moving world.

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**Our Cover:** The world is reeling under the impact of a dramatic financial crisis producing losses estimated by the IMF in April 2009 at more than seven trillion NZ dollars. Huge international banks have collapsed, share markets have plunged, millions have lost homes through mortgagee sales, businesses have announced wholesale layoffs, and even whole nations have been brought to the brink of bankruptcy.

How did it come to this? Our lead article discusses the causes behind the crisis, and a second article explores what we can do to shore up our finances in these challenging times.

Cover graphic by L. Trevarthen.

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# GLOBAL Credit Crunch

- Why?



By Rex Morgan

**You can't escape it. Its twisting tentacles have encircled the planet.**

The "Global Credit Crunch", "The Great Recession", "The Global Economic Crisis", "The "Great Financial Meltdown" -- call it what you will, but it is commonly understood to be the worst predicament to hit the world's economy since the Great Depression. Huge international banks have collapsed, share-markets have tumbled dramatically, millions have lost homes through mortgagee sales, businesses have announced wholesale layoffs, and even whole nations have been brought to the brink of bankruptcy.

When will it end? Where did it come from? How could such a situation appear as if from nowhere and suddenly impact the world so seriously?

At this stage no one knows when it will end. Pundits make guesses, but they can only speculate. If anyone actually had a foolproof way of predicting the future financial markets, they could make a "killing"! And of course, that is one of the keys to the way it started. Too many people were trying to make a "killing". Too many people were

swept away by the enticing lure of greed.

## How it all started

Problems began in New Zealand in late 2006, when some finance companies began to strike trouble. By March 2009 around 30 companies had collapsed, owing investors around \$5 billion.



The Registrar of Companies, Neville Harris, attributed the demise of these businesses to inadequate governance and poor lending policies. "In many cases, funds received from new investors were used to repay the maturing loans of existing investors" stated Harris. In other words, they ran their companies "in a similar manner to Ponzi schemes". He added that

"related party lending was excessive, and in some cases was entered into for the directors' personal benefit or to prop up a poor performing investment."<sup>1</sup>

Meanwhile, in the United States, a similar scenario developed, but there it was the banks that struck trouble. A boom in housing prices tempted profit-driven bankers to make risky loans to people with questionable credit worthiness. Borrowers rushed to purchase properties they couldn't really afford, even falsifying their loan applications in order to comply with already low standards.

These mortgages, granted for up to 100% of a home's value, to people who couldn't really afford to pay, were referred to as "sub-prime" mortgages. As an indication of how risky some of them were, consider the so-called "Ninja" loans, where the bank extended mortgages to customers who had "no income, no job and no assets". As well as being an acronym for such loans, "ninja" described the way the borrower often defaulted – vanishing like a ninja!

One commentator summed it up this way: "Not only were borrowers with lacklustre credit records approved for obscene mortgage amounts, but these mortgages were

also packaged better than candy, all with no down payment, no interest, option payment mortgages, “piggy back” mortgages, and other similar types of extremely high-risk mortgage alternatives. Rules, caution, and risk management were thrown out the window.”<sup>2</sup>

When houses are continually rising in price, it is safe for banks to offer mortgages because even if the borrowers default and the houses are sold, the profit on the sales enables the banks to recoup their

sheets.

One of the first victims was Northern Rock, a British bank which experienced a run on deposits and had to be nationalised to be saved. The downfall of other banks exposed to toxic mortgages quickly followed, including such leading institutions as Bear Stearns, Lehman Brothers, Citibank, Merrill Lynch, and Royal Bank of Scotland. All three of the major banks of Iceland collapsed, almost causing the bankruptcy of the nation.

leveraged buyouts, hedge funds, commercial and industrial loans, corporate bonds, commodities, and credit default swaps.”<sup>3</sup> He describes the trading of credit default swaps as “a dangerous unregulated market wherein up to \$60 trillion of nominal protection was sold against an outstanding stock of corporate bonds of just \$6 trillion.”

Economist Oskari Juurikkala lays much of the blame on “financial innovations called derivatives, contracts that allow companies to trade risks that derive from some other underlying assets”. Basically, the traders bet on the future change in value of debts and mortgages. “If used properly, derivatives are useful and ethically unobjectionable”, says Juurikkala.

But he adds “their abuse is a nightmare. They become a house of cards, built on greed. Recent decades brought much trickier, and riskier, derivatives, such as ‘over-the-counter credit default swaps’. Sound complex? It is.”<sup>4</sup> Juurikkala concludes that “in the 1990s and 2000s, credit derivatives became a massive global gamble.”

An editorial in *The New Zealand Herald* summed it up well: “The globalisation of finance flows led to the rapid development of new wholesale markets in derivatives, mortgage-backed securities and other exotic instruments. Bankers took to these with gusto because of their huge profitability. Few stopped to ponder whether the profits were illusory or even to consider a more stringent exercise in risk analysis. Most were seduced by the huge bonuses and other incentives that encouraged them to play on the margins. Gigantic pay packets, corporate jets, country club memberships and lavish junkets were the hallmarks of the new banking culture.”<sup>5</sup>

### The “height of irresponsibility”

The generous salaries and bonuses paid to corporate executives while their businesses were struggling have given rise to widespread outrage. Bonuses in the UK totalled seven billion pounds in 2007, causing Prime Minister Gordon



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investments. But what if house prices fall? Then the banks don’t get all of their money back from the insolvent borrowers or their property.

In 2007, property prices began to decline and the banks with significant numbers of sub-prime mortgages, which soon became known as “toxic debt”, quickly found themselves in trouble. During 2008, over 2.3 million properties in the US succumbed to foreclosure activity, an 80% increase on the previous year, and an increase of 225% on 2006. (The NZ figures for mortgagee sales have recorded a similar trend.) Eventually the banks had to write down their holdings of sub-prime related securities, seriously undermining their balance

An IMF report released in April 2009 estimated that bank losses worldwide from toxic assets could reach over NZ\$7 trillion. The mind struggles to comprehend a figure of that size!

### Other excesses

While the sub-prime mortgage defaults were a major trigger of the global credit crisis, a number of other credit excesses had also developed during the boom years.

Nouriel Roubini, Professor of Economics at New York University, lists an assortment of factors contributing to the crisis: “credit cards, motor vehicle loans, student loans, local government borrowing,



Brown to call for a review. "There's been a great deal of irresponsibility", he declared on BBC Television.<sup>6</sup>

President Obama labelled Wall Street bankers as "shameful", calling it "the height of irresponsibility", when he noted they had given themselves US\$20 billion of bonuses in 2008, despite the financial sector's abysmal year.<sup>7</sup>

Commenting on executive salaries and bonuses in Australia, Trade Union President Sharan Burrow said "Corporate Australia, it would seem, has lost its moral compass".<sup>8</sup>

But it is not only corporate executives who have been motivated by materialism. The ordinary people on the street have rushed to amass as much as they can too, borrowing to the hilt on their plastic cards. Recent years have witnessed a phenomenal growth in the usage of credit cards.

Cameron Watson, chief investment officer at ABN AMRO Craigs, presents some sobering figures: "Since 1990, household debt in NZ has increased seven-fold, from \$25 billion to \$175 billion today. Relative to income, this debt represented 60% of average household income in 1990; today it accounts for 160% of income."<sup>9</sup> In other words, we are spending 60% more than we are earning!

### The common thread

One common thread runs throughout these factors underlying the financial crisis: the thread of materialism. Indeed, the root cause behind the global financial crisis can be summed up in just one ugly word: greed.

The bankers who made the sub-prime loans were motivated by greed. So were the borrowers who bought houses they couldn't afford. And the land agents who encouraged people to buy better houses than they could fund. Meanwhile, greedy consumers of other goods loaded up credit cards to the limit of their borrowing capacity. Greedy financiers created new forms of financial instruments to make even greater profits. Greedy directors voted themselves huge



**A leading economist likened the abuse of derivatives to "a house of cards built on greed".**

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bonuses. Eventually the house of cards built on greed began to wobble and fragment.

When we talk of greed, we are venturing from the material into the moral realm, an area many of us prefer to avoid as it may reflect on us personally. But it is interesting to consider the impact of moral standards on physical behaviour. Could it be that many of the *physical* problems faced by mankind have *spiritual* causes – and therefore spiritual solutions?

In this regard it is instructive to look at principles presented thousands of years ago in the Bible. We find outlined there some basic moral values that have stood the test of time, and if followed today would have averted the financial crisis.

One of the foundational ten commandments given by God through Moses around 1500BC warned against coveting -- another word for lust, envy or greed.<sup>10</sup>

When he walked on the earth two millennia ago, Jesus Christ warned, "Watch out! Be on your guard against all kinds of greed; a man's life does not consist in the abundance of his possessions."<sup>11</sup>

The biblical writer Paul added:

"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."<sup>12</sup>

It is important to note that the Bible doesn't say money or prosperity of itself is wrong. To the contrary, it describes faithful followers of God who were rather wealthy.<sup>13</sup>

**Indeed, the root cause behind the global financial crisis can be summed up in just one ugly word: greed.**

But it does caution against the *love* of money, the common human failing of putting the desire for wealth and possessions above that of building loving relationships with others. It warns that if we give in to the enticement of greed it can seductively carry us to disastrous extremes.

A classic recent example of this is the notorious story of Bernard Madoff, whose avarice led him to swindle \$50 billion dollars off thousands of unsuspecting clients



***Finding satisfaction in the fruits of your labour is a way to find contentment, reasoned Solomon***

so he and his wife could live in opulence.

The excessive desire for more money can drag us into an endless rat-race. As one commentator expressed it well recently, "We spend our lives buying things we don't need with money we don't have, to impress people we don't like."<sup>14</sup>

**It seems to be a law of life that the more we have, the more we want!**

### **Contentment the Key**

In contrast, the Bible offers an alternative approach to the way we should view material wealth, proposing the virtue of *contentment*.

After a full life in which he experienced both luxury and impoverishment, the Apostle Paul declared "I have learned the secret of being content in any and every situation, whether well fed or hungry, whether living in plenty or in want."<sup>15</sup>

King Solomon, the wise and wealthy

monarch of Israel wrote "Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income".<sup>16</sup> It seems to be a law of life that the more we have, the more we want!



Solomon described this poetically with the words "Cast but a glance at riches and they are gone, for they will surely sprout wings and fly off to the sky like an eagle."<sup>17</sup>

Solomon's advice is still good today. "Do not wear yourself out to get rich; have the wisdom to show restraint."<sup>18</sup> After an extensive study of the way to find happiness, he

concluded that contentment is the key. "Then I realised that it is good and proper for a man to eat and drink and to find satisfaction in his toilsome labour under the sun during the few days of life God has given him."<sup>19</sup>

After all, as Paul reminds us "For we brought nothing into the world, and we can take nothing out of it."<sup>20</sup> Life is like a Monopoly game -- no matter how much you acquire, in the end it all goes back in the box.

Contentment is not necessarily a natural quality for us; it may need to be learned. Naturally, we like to get as much as we can for ourselves, and get it as quickly and as easily as we can. But if we can learn to be content with what we have, rather than to greedily grasp for more, we can avoid, at least in our personal lives, the excesses that caused the global credit crunch.

### **Notes**

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  9. Cameron Watson, "Navigating the Next Bubble". *The NZ Herald, My Generation*, March 2009.
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  11. Luke 12:15.
  12. 1 Timothy 6:9-10.
  13. Abraham, Joseph, Job, David, Solomon, for example. See Gen 14:4, 39:2-3; Job 1:3; 42:10.
  14. Murray Robertson, quoted in "Breaking the 10<sup>th</sup> Commandment", by John McNeil, *Challenge Weekly*, 27 October 2008.
  15. Philippians 4:12.
  16. Ecclesiastes 5:10.
  17. Proverbs 23:5.
  18. Proverbs 23:4.
  19. Ecclesiastes 5:18.
  20. 1 Timothy 6:7.
- (All Bible quotations are from the New International Version.)

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# Are you Fiscally Fit?



By Rex Morgan

**A**re you struggling to make ends meet in today's difficult economic climate? Do you know how much you owe and how much you own? How well are you managing your money?

Just as an annual physical check is recommended to ensure our bodily fitness and long-term health, it is well worth considering a financial check-up to see what sort of fiscal shape our lives are in as we face these challenging times.

"All too many Kiwis flunk financial literacy", wrote financial journalist Diana Clement in *The New Zealand Herald*.<sup>1</sup> "Many have no idea of the financial impacts of stopping at the takeaway once a week, at one end of the scale, to extending their mortgage to buy the latest high-tech-must-have devices at the other."

**Corporations and businesses depend on budgets for their financial stability, so why don't we make more use of them personally?**

"People have no idea where they spend their money" stated a long-time banker and mortgage broker quoted in the *Herald*.<sup>2</sup> "Electronic banking allows such easy access to funds that people can just spend until their card is declined. Working to a budget is just too hard."

Retirement Commissioner Diana Crosson says "Three in ten Kiwis have low financial knowledge and haven't thought about planning for retirement. A quarter of us spend all our income as we get it and don't plan for the future. And more than one in ten of us feel out of control with our borrowing and debt."<sup>3</sup>

Sam Bejjani, general manager of financial management organisation *enableMe* says the main reason people get into financial difficulty is that they think they have a surplus of funds, when actually they are spending more than they earn. "It is the general reluctance of New Zealanders to draw up a budget, coupled with the 'cashless society' that are largely to blame for unnecessary debt", he says.<sup>4</sup>

Let's consider these two important financial issues isolated by Bejjani, budgeting and the use of credit.

## **Build a Budget**

The fundamental principle for managing our personal finances is that income must be greater than expenditure, or we go into debt. The best way to be sure we are spending less than we earn is to use a budget. Too many people default to the common technique of paying whatever bills have come in since the last payday with whatever money is on hand. But this is money juggling rather than budgeting, and can lead to unpleasant surprises.

Setting up a budget does involve

some work, but it is well worth it in the end. Corporations and businesses depend on budgets for their financial stability, so why don't we make use of them personally? Putting your finances down in black and white eliminates guesswork and shows where that extra "where -did-it-go?" money can be used more profitably.

**"The rich rules over the poor and the borrower is servant to the lender"**  
— King Solomon

Budgeting entails sitting down and listing all of your income and expenses. A budget isn't a record of money spent, but a plan for future spending. The basic idea is to allocate the pay you receive between the various expenses you are going to incur. Money is put aside every payday for future annual or periodic bills, such as putting away one twelfth of a total annual bill into your savings each month. If you make out a budget, you can then spend your money without worrying about it, knowing all of the expenses have been provided for in advance.

If you say "A budget is impossible for us, we're too deeply in debt," that is exactly why you need a budget! A budget is a practical tool to help you control your finances and overcome debt.

For help in setting up a budget, see the box on page 9.

If the budget shows expenses are greater than income, it is necessary either to increase income or reduce expenses.

Increasing income may not be easy. A couple of possible approaches include taking on an extra job or working harder in order to be worthy of a pay rise. Income-increasing options are limited, so it is important to be very focused in the area of reducing expenses. For suggestions that might help in this area, see the accompanying box.

### **Beware of borrowing**

After setting up a budget, the other important factor in maintaining fiscal stability is to use credit wisely.

That means being very careful with our "fantastic plastic" cards, which make borrowing money so simple and convenient. In March 2009 New Zealanders owed \$5.3 billion on their credit cards.

The decision to borrow money or to purchase something on credit shouldn't be taken lightly. Borrowing is generally necessary for the purchase of a home or car, but credit purchases on smaller items should be kept to a minimum. Being in debt should not be considered normal.

The wise (and by the way, extremely wealthy) biblical King Solomon gave a telling warning about the dangers of borrowing when he said "The rich rules over the poor and the borrower is servant to the lender".<sup>5</sup>

What is borrowed must eventually be paid back, and more. Interest rates on credit cards are commonly 20% or over, which amounts to a significant premium on purchases.

It is so easy to put something on the plastic card that studies show people are willing to spend three times what they would if paying cash.<sup>6</sup> And credit card usage can easily become addictive. Credit cards offer instant gratification, one of the hallmarks of addictive

## **Some Helpful Hints**

- ◆ Avoid impulse purchases at the supermarket. Goods are often positioned at the checkout counter in such a way as to encourage purchases. If these items aren't on your shopping list, don't fall for them!
- ◆ Wash the car at home instead of paying for a car wash. You can save some money and get some exercise!
- ◆ Make your lunch at home, at least a few days a week, rather than purchasing it.
- ◆ Buy fresh fruit and vegetables at the fruit shop rather than frozen, tinned, or even fresh produce at the supermarket.
- ◆ Form the habit of buying things on special and using discount coupons. [www.vouchermate.co.nz](http://www.vouchermate.co.nz) contains hundreds of discount offers.
- ◆ House brands such as "Pams" or "Signature Range" are often much cheaper than alternative products, and similar in quality.
- ◆ Instead of buying new books, use the library or share with friends.
- ◆ Discuss gift giving (birthdays, Christmas etc.) with friends and family, and perhaps come to a mutual agreement to spend less.
- ◆ Start a small backyard vegetable garden, or plant some items in pots.
- ◆ Use food scraps for garden compost to save money on fertiliser.
- ◆ Reduce visits to takeaways and restaurant meals.
- ◆ Use fruit instead of junk food for snacks.
- ◆ Do you routinely eat biscuits with your cup of tea or coffee? It might not be as hard as you think to learn a new and healthy habit: the "biscuit-free cuppa", helping your waistline as well as your budget.
- ◆ Use the supermarket instead of the convenience store for regular groceries.
- ◆ Instead of automatically using the car, try walking (or cycling) to nearby destinations. Taking the bus is another option to consider.
- ◆ If you need help, make sure you are receiving all the relevant government support to which you're entitled.
- ◆ Consider making extra payments on your mortgage. The savings can be huge.
- ◆ Beware of get-rich-quick schemes. Anything that seems too good to be true probably is!
- ◆ Enrol in Kiwisaver. It is possible to claim over \$1000 a year in tax benefits, as well as receiving \$1000 from the government just for enrolling. Nobody should look this gift horse in the mouth!
- ◆ Before buying any major product give yourself 24 hours to consider the purchase. Gather information about the item and ask those who have one or know about it. See if you can find a lower price for the same thing, or ask for a discount. Have a look on "Trade Me".
- ◆ Look after the things you have, so replacements won't be necessary. Maintain the house and property; service the car.
- ◆ Work on the finances together as a family. Financial management is a leading cause of divorce – avoid problems by communicating openly.
- ◆ Read some books on money management – many are available at the bookshop or library.
- ◆ Consider putting flyers in letterboxes as a source of extra pocket money, as well as improving physical fitness.





behaviour. For people experiencing trouble, helpful advice can be found at [www.creditcardaddiction.com](http://www.creditcardaddiction.com).

It's not the cards themselves that are bad, but the way they are used, which can be either financially beneficial or disastrous.

Credit card purchases should only be made if you have the money available to pay the bill in full at the end of the month. If you do this, you avoid paying any interest. Used in this way, credit cards can actually be a big help in financial management. They are convenient, useful in emergencies, allow earning of interest on your savings by using the interest-free credit period, and rewards can be earned.

**Credit card purchases should only be made if you have the money available to pay the bill in full at the end of the month.**

By following the two principles outlined in this article, using a budget and being cautious in borrowing, you can ensure you remain fiscally fit and able to face the challenges of the global credit crunch.

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2. "Weekend Money", *NZ Herald*, 14 February 2009, page C7
3. *A/G Life*, Summer 09, page 8
4. "Learn to Rein in Christmas", *Herald on Sunday*, 21 December 2008, page 65
5. Proverbs 22:7
6. "Learn to Rein in Christmas", *Herald on Sunday*, 21 December 2008, page 65

## Are You Sorted?

A treasure trove of financial advice for Kiwis is available at the Retirement Commission's website, [www.sorted.org.nz](http://www.sorted.org.nz). For anyone wanting to prepare a budget for the first time, the site contains a simple budget worksheet, and gives step by step guidance in completing it. If necessary, an 0800 number can be called for extra help.

This excellent site offers a wide range of useful calculators and tools to help people of all ages and situations with their financial needs. There are calculators for working out your net worth, cash flow, mortgage repayments, credit card, hire purchase and car payments, savings, investments, Kiwisaver, and much more. A "Spendometer" shows how the way you pay can affect the cost of what you buy. Free booklets giving further information on many aspects of money management are offered.

The NZ Federation of Family Budgeting Services is a collective of nationwide community organisations delivering free budgeting advice. Their website, also giving practical help on financial management as well as the nationwide location of their services, is found at [www.familybudgeting.org.nz](http://www.familybudgeting.org.nz).



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# What is Life Like for the New Zealand Child in 2009?

By Sean Pawson

## Are Kiwi Children still an Endangered Species?

**O**ur neighbours Robyn and Pete and their heavy metal mates were partying hard again. The mounting pile of Lion Red cans and bottles on the front lawn and the sweet smelling smoke drifting on the breeze were evidence of the brain addling fuel they were running on. As evening arrived *Guns N' Roses* got wound up a notch or three on the stereo. By the time Gill and I tucked our own children under their duvets the conversations next door had got sharp and brutal. My skin prickled and crawled with the mounting tension.

### Snarling like pit bulls

Suddenly the evening air was shattered by violent shouts. Screams erupted, followed by the smash of breaking glass. "Robyn's children are in there", I thought to myself. I ran outside, jumped the fence and crunched my way over bloody pieces of a shattered window lying on the back steps. Pete and another testosterone-charged male were in the living room standing nose to nose snarling like a couple of pit bulls. Pete had blood pouring from a nasty deep wound in his hand. A group of other adults were hauling on their limbs and clothes, trying to prise them apart.

They paused in sudden surprise and stared at me with hostile gazes as I entered the carnage. The adrenalin was pumping through my body but

my mind was calm. "Where are the children, Robyn?" I asked. Recognising me, she pointed to a bedroom door. "I think it would be better if I took them over to our house", I said. She nodded, so I stepped over and turned the handle.

Three sets of terror stricken eyes peered out at me from a huddle of trembling bodies and entwined limbs. Stevie, Bobby and Michelle were there cowering and clutching each other in fear in the corner of the room. The protagonists, oblivious to their trauma, continued to rant and tear at each other in the other room.

I approached the children slowly, crouched and spoke what I hoped would be reassuring words. Stevie unravelled himself and climbed up into my arms. Bobby and Michelle grabbed my clothing. We shuffled out of the chaos and over to our home. Gill plucked Stevie from my hands and cuddled him with tearful eyes as we pulled the sliding door shut and blocked out the worst of the noise. We gave them something to eat and drink and tucked them up on

the couch. Tension slowly ebbed out of their bodies and they began to spill a few words and smiles.

Later I slipped into our own children's bedroom. I stood and listened to their slow breathing and watched them cuddling their teddies. The peace in the room was as palpable as the fear that I had encountered in the house next door. I wondered how Stevie and Bobby and Michelle would sleep that night. I wondered too about all the other kids in the street...

### A provocative book

A few years before we launched our evening rescue Lesley Max, a New Zealand mother, journalist and teacher researched and explored the social conditions in which Kiwi kids were growing up. In 1990 she published her findings in a provocative book called *Children: Endangered Species*. Among other things she observed that "the lives of a startling number of our children are poor, nasty, brutish and short". She concluded that Godzone was "bad territory for many children".<sup>1</sup>



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Eighteen years have passed since Lesley Max published her findings and many of us are wondering if the social conditions in which children are now growing up in are any better? What will life be like for a Kiwi Kid on the good ship *Aotearoa New Zealand* in 2009?

Life on board for many will continue to improve. They'll curl up happy at night with their teddies, ipods and cell phones; well respected, well valued and well loved. Many committed parents will continue to work hard to provide and nurture their children.

How will people respond to the fear-filled eyes and wounded cries of our nation's most needy children?

Government policies such as *Working for Families* will help keep many above the poverty line. Charitable organisations such as Lesley Max's *Great Potentials Foundation* will continue to implement schemes that raise the educational levels of struggling kids and empower them to achieve. Agencies such as *Parents Inc* will continue to equip parents to love their kids better. Churches such as my own Baptist will continue to provide valuable moral and spiritual guidance to parents and children.

Good and honest endeavour will continue, but I predict there will be more Stevies, Bobbys and Michelles cowering in the corners of their rooms in 2009 than there were in 1990. Recently the NZ Police announced that more than 1300 assaults on children under 14 were recorded in the year to June 2008, up from less than 1000 the previous year.

Figures released by NZ Statistics over the last two decades reveal that in recent years onboard conditions for children have dramatically deteriorated. They show big increases in children living in

poverty, domestic violence, assaults against children, abortion, divorce, teenage pregnancies, absent fathers, blended families and single parent households. Misconduct, truancy, drug taking and violence in schools have also become more common. Media for children has become more violent, sexualised, profane and pervasive.

#### How will people respond?

As the waves and anti-shocks of global recession continue to batter our tiny economy conditions will worsen and more children will suffer. Wombs, homes and schools will become increasingly difficult and dangerous places for many children.

How will people respond to the fear-filled eyes and wounded cries of our nation's most needy children? Sadly some conspiracy theorists, fear-mongering preachers and end-times obsessives will shut their ears and lick their lips. They will feel reinforced in their prejudices and justified in their judgements.

Some politicians will tweak the data and stories to provide emotive leverage for their agendas. Some pessimists will throw up their hands in despair and withdraw into their own dark worlds. Some citizens deluded by the myth of the self-made woman will tell the parents and kids to pull themselves out of it.

Some parents will collapse under the weight of their own failures and flaws.

Many however will put their sonar into the ocean of human need and feel the heartbeat of the Creator rising up from its depths. A number won't recognise the source of their compassion but they will feel the pain of the children and climb all kinds of fences to make a difference in their lives. Others will find themselves drawn by Jesus to descend into greatness. They will back-climb the ecclesiastical and corporate ladders and give themselves to the service of children and families.

In 2009 we will still hear the cries of the children on the evening breezes in our neighbourhoods. I hope and pray however that there will be more hearts that are stirred and feet that are moved to provide help, healing and hope.

1. Lesley Max, *Children: Endangered Species*, Penguin, 1996, back cover quote.

This article was originally published in *Daystar* magazine, December 2008, and is reprinted with permission. Sean Pawson, a father of five, was formerly Children's Ministry consultant for the Baptist Churches of New Zealand. He has also coordinated CAFF, a network of national and regional personnel from various Christian organisations and denominations who work with children and families. He has been a team leader for the *Cycling with the Poor* Project, in partnership with World Vision.



The Pawson Family, from left: Isaac, Elizabeth, Gill, Anna, Ben, Bethany and Sean.

# WORKING



# TOGETHER

house had to be sawn in half and removed in two stages.

My interest in this project was observing the way the team worked together, jacking up the house. Each jack was taken up just so far and each man worked to a pattern to keep the house on an even keel. It was then that a large flat-bedded, articulated truck manoeuvred backwards under the house. That's when all eyes and ears were at work. Each man signalling the other to do what each had to do, to allow the house to be lowered onto the truck. It was a slow and laborious process of walkie-talkies, hand signals, moving planks, placing planks, until all was in place.

These men obviously knew what they were doing, and there was defi-

By Gael McInnes

**N**eed some help?  
Having difficulty  
working with others?

I recently spent time watching a house removal firm at work. It was all happening over my back fence.

What a complex process! Attachments required disconnecting, foundations needed exposing, and massive jacks needed placing at strategic points around the house. This



nately an overseer coordinating and giving directions. Each man closely followed instructions, impressing me by their teamwork, the enormity of the task and of course the responsibility. Fancy being responsible for the safe delivery of a house! All this took place during a week, then like a ghost in the night it was gone.

### Are you a team player?

How well do you work with others, or are you one of those persons who likes to 'go it alone'? Do you believe you can do the job better than anyone else, and certainly much faster and more efficiently? Do you think you are better than you really are?

What about the times when you just have to work with someone on a task or project? Do you take over, wanting it done your way, or do you actually listen to and discuss with your colleagues the various options? Or are you one of those people who sits back and lets those who want to get on with the job, get on with it, and not talk to anyone, but happily pick up your pay cheque each week?

I'm amazed at the way the volunteers work as a team on TV One's *Mucking In* show, when a garden makeover takes place in one weekend! Behind such a project there has to be a planner, a leader, and a team who have to negotiate with various firms for the required material, and make it all come together for the specific weekend. It certainly doesn't happen overnight.

We live in an individualistic society and it's easy to forget our interdependence with others. Our communities revolve around people doing their part to keep things functioning. Businesses, corporations and governments need people. What if your rubbish never got removed, or a broken water pipe never got repaired, or the sewerage plant broke down, and nobody could be bothered to attend to it? Just think about what your environment would be like! We are all needed in this world and there is job for everyone.

### Parts of a body

So how do we work together, be it a

large business, a local club or church, or a family unit? Well, it helps to think about the way the human body works.

A biblical illustration points out that "just as our bodies have many parts and each part has a special function, so it is with the church. We are many parts of one body, and we all belong to each other."<sup>1</sup> Everything needs to be co-ordinated. We need a 'nerve' centre – a functioning brain. We humans are born with individual personalities and talents.

When a joint project comes up we need all the talents and skills we can muster, and that's when we need to appreciate the skills and talents of others. We need to work at working together. Sometimes we are our own worst enemies – thinking we know it all and know what's best. We require leaders, and this is where we need people who have leadership experience, good communication skills and organisational abilities.

No one could have moved that house by themselves – it would be impossible.

So how can we bring a functioning team together? Ask yourself, "How do I treat those under me and how do I like to be treated?" Many people see power as a way to gain control over others, but a more enlightened view sees that "Leadership is a serving relationship that has the effect of facilitating human development."<sup>2</sup>

### Leaders who serve

To be a leader, a person must be a servant. This can be difficult for those leaders who find it hard to serve those beneath them. Jesus, who came to earth with all authority and power in heaven and earth, chose to serve others.

On one occasion, for instance, to the amazement of his disciples, he stooped down and washed their feet – a job for the lowest of servants. Then he told them to follow his example.<sup>3</sup>

I believe people work effectively together when they know what to do, how to do it, why they are doing it,

and how their work fits into the total plan of the organisation they work for. Effective leaders will set the right example. They will treat team members as individuals, get to know them and show genuine interest and empathy. They will instil a feeling of self-worth. They will communicate what is required and notify them of any changes in advance, obtain their co-operation and listen to their varying points of view.

A successful leader will not impose his leadership on a team, nor have to assert his position by trying to appear wiser and more competent than others. No, the successful leader will gain the respect of his team because he is skilful, knowledgeable and diplomatic in the way in which he carries out his role.

That's what makes for a successful team – the interdependence of one another.

After that house was removed, the ground was levelled and in came team after team to build four apartments. First came the foundations, then the pre-assembled framework, scaffolding, roofers, bricklayers, plumbers, electricians and many others. Twelve weeks later, there was the finished product and new residents moved in the next week. This couldn't have taken place without a leader to co-ordinate such teamwork and meet deadlines.

This 'house-removing' project was a great way to reflect on the need to be interdependent and help in serving others. We need each other. I hope you will take the time to watch a similar project sometime, and reflect on your own contribution to teamwork.

1. Romans 12:4-5
2. As quoted in *On Being a Servant of God*, Warren W. Wiersbe. p.47
3. John 13:14-15



# Your Money, Your Life, or Your Wine



By Rusty Wright

**C**ould offering a cup of human kindness save your life sometime? It helped protect guests from a menacing gunman at a recent Washington, DC, dinner gathering.

Comedian Jack Benny had a famous skit in which an armed robber pointed a gun at Benny, whose comedy often poked fun at his own miserly show business persona. In the routine, Benny told the robber to put the gun down. The robber persisted. "Your money or your life!" demanded the crook, irritated by the delay. "I'm thinking it over," deadpanned Benny.<sup>1</sup>

Quick thinking helped save the DC dinner guests.

## Give me your money!

*The Washington Post* reports<sup>2</sup> that some friends had enjoyed steak and shrimp at a DC home and were sitting on the back patio sipping wine around midnight. A hooded gunman slipped in through an open gate and held a pistol to a fourteen-year-old girl's head. "Give me your money, or I'll start shooting," demanded the intruder.

The guests—including the girl's parents—froze. Then one adult—Cristina "Cha Cha" Rowan—had an idea. "We were just finishing dinner," Rowan said to the uninvited guest. "Why don't you have a glass of wine with us?"

The robber sipped their French wine and said, "Damn, that's good wine." Michael Rabdau, the girl's father, offered the man the glass. Rowan offered the bottle. The man—with

hood down by this point—sipped more wine and sampled some Camembert cheese. Then he stowed the gun in his pocket and admitted, "I think I may have come to the wrong house. I'm sorry. Can I get a hug?"

Rowan hugged the man. Then Rabdau, his wife and the other two guests each hugged him. The man asked for a group hug; the five adults complied. He left with the wine glass. There were no injuries, no theft. The stunned guests entered the house and stared at each other silently. Police came. Investigators discovered the empty and unbroken wine glass on the ground in a nearby alley.

"I was definitely expecting there would be some kind of casualty," Rabdau recalled, according to *The Post*. "He was very aggressive at first; then it turned into a love fest. I don't know what it was."

"There was this degree of disbelief and terror at the same time," Rabdau observed. "Then it miraculously just changed. His whole emotional tone turned—like, we're one big happy family now. I thought: Was it the wine? Was it the cheese?" The entire encounter lasted about ten minutes. DC police chalked it up as strange but true.

## Gentle Answers

An old Jewish proverb says, "A gentle answer turns away wrath, but a harsh word stirs up anger."<sup>3</sup> I suspect her friends are extremely grateful that Cha Cha Rowan had the presence of mind to offer a gentle reply to the intruder's demands.

Sometimes the psychological approach can deter disaster. Kindness and hospitality often can defuse tension and help open hearts and minds. Was the robber lonely? Feeling sad or rejected? Weary of his lifestyle? Hungry for acceptance and friendship? Rowan and her friends struck an emotional chord that resonated, apparently deeply.

Brute force and overwhelming arguments are common cultural responses to danger or opposition and, of course, they're sometimes necessary. Most of us are glad Hitler was defeated and that legislators outlawed slavery. But could gentle answers improve any disputes—our families, marriages, workplaces, political relationships—that you've seen?

1. George Grow, "Funnyman Jack Benny Won Hearts Mainly by Making Fun of Himself," *Voice of America News*, 21 May 2005; at [www.voanews.com/specialenglish/archive/2005-05/2005-05-21-voa1.cfm](http://www.voanews.com/specialenglish/archive/2005-05/2005-05-21-voa1.cfm) (accessed July 19, 2007).

2. Allison Klein, "A Gate-Crasher's Change of Heart," *Washington Post*, July 13, 2007; B01; at <http://tinyurl.com/2q9mjc> (accessed July 17, 2007).

3. Proverbs 15:1, NIV.  
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By Stephanie van Pelt

## Have we become addicted to instant gratification?

Everywhere we go, everywhere we look, we see some form of instant gratification.

Cell phones and computers are two of the most predominant types of instant technology - things that many of us use every day. This technology is very useful, and I still find it amazing that I'm able to send an e-mail halfway across the world and have it reach the target in just a matter of seconds. Letters by mail are no longer necessary, and I'm starting to ask myself why we even bother having house phones anymore.

### Becoming more impatient

People have become accustomed to the luxury of being able to reach someone almost immediately wherever and whenever they want.

This instant way of communicating is spreading through every aspect of our lives, but not always in a positive way. Having all these things so conveniently available to us is transforming us into a much more impatient people with very high expectations.

If we can't figure out a simple arithmetic problem we whip out our trusted calculator because it's faster than using our minds. Speed dialing means we don't need to waste time pushing several buttons, nor do we need the bother of actually remembering the numbers we are calling.

How long will it be before we choose to run through a red light to speed home to watch our favourite television program because it's faster than waiting for the green light?

Patience may be a virtue but every day it is becoming harder and harder to find. I'm finding we live in a society where people just want things done instantly, and if that doesn't happen, then we have a problem.

Have you noticed that our grocery bags are filling up with quick microwaveable foods? Have you ever picked up an Indian takeaway meal for two? No need to do anything other than heat through and serve. Even that two minutes of

waiting while the microwave warms macaroni and cheese seems too long.

It's these things that concern me about the future of our culture. I mean, how much easier can it be? What are we willing to sacrifice to make life even easier?

### Shortchanging ourselves?

I understand many of us buy these instant meals because they're quick and easy. We all have busy on-the-go lifestyles. But are our lives too busy to put our health and the health of our families on the line? Homemade cookies and freshly made dinners are becoming a rare thing. Have we forgotten about the



unmistakably delicious taste of fresh meals, not to mention their irreplaceable nutritional value?

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What makes us think that taking the easy or fast way out is ever going to get us farther than taking the longer way?

I strongly feel that by taking the easy way out so much of the time there will end up being more negative outcomes than positive for us as a society. We love this instant way of life and we believe our lives are too short to do things the long way. But is it possible that by being addicted to those things that are "instant" we are actually shortchanging ourselves in the longer run?

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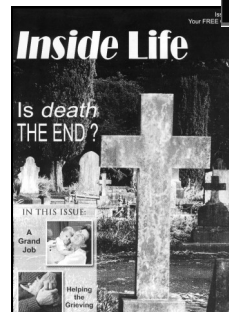
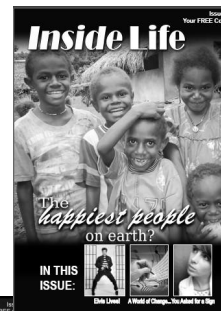
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