

Counting the cost: A crusade against consumer debt

by [Jason Byassee](#) in the [August 7, 2007](#) issue

Heather from Oregon sounds like a born-again woman, financially speaking. “I finally got everything paid off this spring. . . . No more credit cards, no more student loan! I feel so good, so adult, and *so proud of myself.*” She thanks her deliverer, radio personality and anticredit crusader Dave Ramsey, for freeing her from bondage to consumer debt, and he published her note at [daveramsey.com](#) as the testimony of another satisfied customer.

Ramsey is a tough-talking, quick-witted evangelical radio personality out of Nashville whose ability to offer paternalistic financial advice and to turn a phrase has earned him millions of listeners, both religious and secular. The Financial Peace University, a spinoff of his radio program, offers curricula for church groups. His 13-week seminar promises to help the average family reduce debt by \$5,300 and save \$2,700, according to the marketing materials on his Web site.

Those savings presumably make for more money in the church’s offering plate. A spokesperson for Crown Financial Ministries, headquartered in Gainesville, Georgia, told the *Dallas Morning News* that graduates of Crown’s small-group study increase their giving to the church by more than 60 percent. What church wouldn’t pay the \$289 study fee and ask for \$89 from each participant in return for the sort of joy that gushes from Heather from Oregon, or from her pastor?

Ramsey’s financial advice is tied to an evangelical Christian message. Scriptural teaching and practical advice go hand in hand. He quotes Paul, seemingly an unlikely source for financial wisdom: “Owe no one anything except to love one another” (Rom. 13:8). He constantly preaches against flashy consumerism: “Barbie and Ken (you know, the couple who *appear* to be perfect—perfect clothes, perfect car, perfect house) are broke, and I don’t take financial advice from broke people anymore.” Ramsey often tells the story of how he made and lost a fortune in real estate in his 20s before determining to learn how money really works. He told

Christianity Today last year that “a whole bunch of us got all this stuff we really didn’t want with money we really didn’t have to impress people we really didn’t like.” Ramsey claims that 37 percent of marital problems stem from tension over finances.

Other evangelical groups, including the Good Sense Ministry at Willow Creek Community Church in Illinois, proffer similar kinds of advice. All offer a form of tough love when it comes to debt: debt, they say, is spiritually debilitating. It is likely that they would prefer to call it sin but have the pastoral sense not to blame people who are in the early stages of recovery. The way out of such bondage, they say, begins with setting up a basic budget. They instruct families to start their budget by allocating 10 percent to the church (pastors, don’t reach for the phone yet) and 10 percent to savings. If the remaining 80 percent of income doesn’t cover expenses, then something has to give: find another job, trade down in housing or sell off some assets.

These counselors’ main message is that borrowing—some say even for a home, car or education—is bad. There is some variation on this point. Good Sense is not allergic to all kinds of debt; it merely discourages unsecured borrowing, in which the purchase can’t be easily resold and the debt repaid, as with a car or house. Ramsey’s and Crown’s repudiation of debt is more sweeping, though a spokesperson at Crown insisted that its stance is not absolute. “Crown has never said that borrowing is prohibited in scripture,” a spokesperson wrote me in an e-mail. But the e-mail message continued: “It is not recommended and never gives God glory.”

Crown provides an assemblage of biblical passages to describe the misery of indebtedness, such as Proverbs 22:7: “The borrower is servant to the lender.” The passages come primarily from the wisdom tradition, though occasionally passages from the New Testament are also invoked, such as Luke 14:28, in which Jesus asks, “Which one of you, when he wants to build a tower, does not first sit down and calculate the cost to see if he has enough to complete it?” Crown comments, “You might have to go through a similar reasoning process regarding your home if your housing costs are too high for your income.”

This way of reading the text ignores the broader context of the message: Jesus is talking about counting the cost of following the way of the cross. Crown turns Jesus’ words into the sort of advice that could come from *Poor Richard’s Almanac*. Its overall use of biblical material is legalistic—the Bible offers a set of rules to be

followed in pursuit of certain reward. At its worst this can veer toward Pelagianism—the teaching, combated by St. Augustine, that views salvation as a reward for good works. The testimony of Heather from Oregon evinces the sort of joy that evangelicals once reserved for speaking of their conversion. Furthermore, and most problematically, Jesus’ more demanding teachings on the giving up of possessions are ignored entirely. Jesus himself seems surprisingly immaterial to these evangelical ministries.

But anyone who has struggled to master his or her finances rather than be mastered by them knows the profound relief that can come from setting one’s house in order. And with the average U.S. household carrying between \$10,000 and \$15,000 in credit card debt (estimates vary), the problem these ministries have identified is real. Credit card debt has almost tripled since 1989, and consumer debt generally is over \$1 trillion, perhaps approaching \$2 trillion. Laws regulating the behavior of predatory lenders have been slashed, allowing credit card companies to raise their annual interest rates to preposterous levels—30 percent or more—and to raise them at any time, for any reason.

Card companies make the bulk of their profit from consumers who carry a balance from month to month, accruing high interest. Elizabeth Warren, who teaches bankruptcy law at Harvard, says card companies derisively refer to those who pay their bills on time as “deadbeats.” Patently usurious “payday” lending stores continue to mushroom, despite the critical media attention they have received. The disastrous effect of subprime lending on the real estate market has been widely noted.

It is no wonder that many people, and not only Christians, are tuning in to what these Christian financial advisers are saying. Some 200,000 people “graduated” from Ramsey’s Financial Peace University last year. His radio show is carried on hundreds of nonreligious stations, and plans are being made for a televised version of Ramsey’s show with CBS/Paramount. Crown’s many radio programs reach 1 million listeners, and its Web site boasts of plans to reach 300 million people by 2015. Crown bills itself as “the world’s largest Christian financial ministry.” Good Sense offers more modest numbers, claiming that its resources are used by some 4,000 churches.

Many of these clients and listeners are members of mainline churches. According to the *United Methodist Reporter*, some 900 UMC churches are using materials from

Financial Peace University. Crown reports that some 20 percent of its subscribers are mainline Protestants (interestingly, 6 percent are Roman Catholic; none are Episcopalian).

First United Methodist Church in Glen Ellyn, Illinois, has adapted Good Sense materials for a class titled Financial Freedom, led by Jason Tews. Tews is the sort of man who has regularly gone missing from churches: driven at work, not normally given to religious reflection, attending worship only occasionally—and then out of family obligation. But he has found a niche at First UMC through the finance class.

Good Sense's most important contribution, he says, is encouraging a change in perspective—helping people see that “it's not our money, it's God's money.” Tews has found that many people who attend Financial Freedom class grew up in homes in which money was never discussed. Starting such conversations is no easier now. As one attendee, Richard Dunn, jokingly told me, “We don't talk money much at the church coffee hour.”

The lack of small talk about financial worries hardly means that folks don't have such worries. Programs like Financial Freedom fill the need. Tews says he has seen lives changed.

Financial health leads in turn to more faithful support of the church. Barbara Rozgonyi Svoboda told me that the change in mind-set brought about by the course (and the cancellation of credit cards) “really opens up a wide space for giving.” Another participant, Jason Pytlik, said he learned that “God's money is on loan to us.” Financial Freedom allowed his family to survive a job layoff, pay off some medical expenses, start cutting into old credit debt and start giving to the church.

First UMC's experience with Good Sense materials matches the organization's vision, according to its director at Willow Creek, David Briggs. “We help with finances, but we're more about helping people align their lives differently, to understand the interface between how we relate to money and how we relate to God.” Indeed, Good Sense can offer a gracious invitation rather than merely a set of legalistic regulations. Svoboda said budget planning gave her family “permission to get what we wanted and, amazingly, we didn't spend nearly as much as we thought.” Dunn expressed amazement at the “innumerable ideas to reduce expenditures” that group members brought to the table.

The Good Sense Web site describes a philosophy of making “the local church teacher a ‘hero’”—something that has clearly happened in the case of Tews at First UMC. A crucial part of the program is that a layperson, not the pastor, does this work. When a pastor brings up the topic of money, church members of all stripes are conditioned to assume that it’s because the pastor wants more of it from them. Good Sense is devoted primarily to helping people return to financial health, and only secondarily to helping church stewardship campaigns.

“Practically, if individuals or churches pay a lot in debt service, there’s less to further the kingdom,” Briggs said. “More subtly, we talk about what it means spiritually when you’re in bondage to debt.”

When I asked Tews whether a secular program couldn’t be just as effective in offering this advice, he responded: “What motivation to change would there be without a Christian basis?” But he later granted that other kinds of religious faith could supply a motivation for financial change. “Consumer debt is so out of control,” he observed. Financial Freedom classes offer people a chance at recovery—functioning sometimes like an AA meeting.

Isn’t some amount of debt inevitable if one seeks a first-rate education or decides to take a job and live in a high-priced major metropolitan area? On this point, Tews kindly but firmly demurs: “It can be done. It’s a question of what’s important to you. If you want to give 10 percent, save 10 percent, and live on what’s left over, you can. People are almost afraid to be told to do it because they know it’s right.”

At its best, the Financial Freedom program creates community. It isn’t quite like an early Methodist society in which members inquired into the state of one another’s soul and whether each had sinned in spending money since the group previously met; Financial Freedom classes don’t call for that much disclosure. But the risky act of attending one of the meetings is an admission that one needs help in this area. And sharing wisdom about budgeting and expenditures with fellow members is more profound than everyday church chatter.

On the other hand, it is hard to see why a Christian church, or the worship of its specific crucified and raised Lord, is required for such sharing of financial wisdom. Tews told me his favorite passage to use in class is Proverbs 3:9-10: “Honor the Lord with your substance and with the first fruits of all your produce; then your barns will be filled with plenty, and your vats will be bursting with wine.” That is classic

wisdom literature, but it could easily encourage a prosperity gospel in which Jesus rewards those who think positive and tithe—a gospel that has little to do with Jesus of Nazareth.

Crown Financial Ministries is the creation of the late evangelical financial adviser Larry Burkett, whose radio broadcast was the cultural forerunner of Ramsey's radio ministry. Burkett's partner, Howard Dayton, long nursed a desire to reach "millions, not thousands" with evangelical financial advice. The group's Web site promises that if Crown meets its goal of reaching 300 million people with its advice, it "will help to fund the Great Commission in a way never seen before." The organization's promotional materials bill it as "the world's largest Christian financial ministry." Its promoters do not think small.

Crown's materials frequently express worry that bankruptcy no longer carries much social stigma. Declaring bankruptcy should only be a last alternative, and the "debtor's motive must be honorable." Ideally, Christians should bear witness to the world by repaying every penny, "even after a bankruptcy." There is nothing here suggesting that predatory lenders share responsibility for consumer debt, in conjunction with politicians who began in the 1970s to curtail government regulations on the lending practices of financial institutions (which is why your penniless cousin keeps getting preapproved-credit card offers). Nor is there any hint that 50 percent of bankruptcies are largely due to medical catastrophes.

To its credit, Crown can turn a critical eye on evangelical culture, as when it points to the hypocrisy of believers who put "subtle pressures on each other to achieve success as a testimony to the Lord's blessings in their lives." But its materials tend to rely on sentences in the conditional mode: "If we place ourselves at His disposal, He will meet our needs and guide us along His paths." Here is the Pelagian danger: it's as though God is sitting around wondering if his creatures will do the right thing so God can dispense (inevitably material) blessings.

A prominent critic of Crown's and Ramsey's approach is investment adviser Gary Moore, who takes issue with the rigid condemnation of consumer debt. He notes that the corporate sponsors of Ramsey's radio show include real estate companies and mortgage lenders. On his Web site, Ramsey acts as pitchman not only for his own financial services but for vitamins and electronics ("You can't afford not to own Tivo!"), encouraging the sort of consumerism he ostensibly seeks to combat.

Moore, who founded the Financial Seminary and served on the board of advisers of the Templeton Foundation, senses a certain fearmongering by Crown and Ramsey in regard to debt. He argues that only 4 percent of consumer credit users are in serious financial trouble and points out the positive side of credit. After the 2004 tsunami, relief money was sent to Indonesia faster than in the case of any other natural disaster in history—because of credit cards. He also points to microcredit initiatives in developing countries as examples of trustworthy, biblical ways in which lending and borrowing can help people out of poverty. “There is a way to lend and borrow biblically—don’t charge interest and forgive debts every seven years.”

Moore also sees a political agenda behind Crown’s and Ramsey’s emphasis on debt, noting that they began their jeremiads against the evil of indebtedness during the 1980s and 1990s, when condemnation of “tax and spend” liberals was popular on the political right. (This political sport is not now in favor, since with Republicans at the helm the national debt has risen higher than ever.) And Moore, who sat on the board of the Crystal Cathedral with Enron chief Ken Lay, calls much evangelical financial planning a “combination of Jesus Christ and Ayn Rand”: it compartmentalizes money and fundamental theological convictions, so that the manner in which money is raised is unimportant as long as much of it is given to the church.

Evangelical financial ministries can also be charged with thinking too small. They may help middle-class consumers be more practical consumers who, once their books are balanced and they’re saving and tithing, can spend freely and without guilt. Consumerism holds out the promise of abundance without limit; its adherents, eternally dissatisfied with what they have, buy more to reassure themselves of their existence. But what if the church, with its claim that Jesus’ resurrection inaugurates the end of history and with its view of people’s worth as a function of their creation in the image of God, is actually an alternative to capitalism? What if the church should be forming people for more dramatic resistance to consumerism?

Daniel Bell, a theologian at Lutheran Southern Theological Seminary, argues that the gospel is about more than helping people live successfully within consumer capitalism: “I have a simple test I often put before my students. Would Jesus have been crucified for what you are teaching?” He calls on churches to take up the arduous task of shaping people who are not primarily consumers in the first place.

However, Lendol Calder, a historian of consumer debt at Augustana College in Illinois, asserts that the work of evangelical financial advisers, whatever its drawbacks, is important. “The problem of indebtedness is so serious for those caught up in it, and the level of financial literacy in the population so low, that my default attitude toward debt counseling services is one of appreciation for what they’re trying to do.”

Elizabeth Warren of Harvard Law School takes a similar view. Her book *Two-Income Trap* describes the usurious practices of credit card and mortgage companies, and *All Your Worth: The Ultimate Lifetime Money Plan*, written with her daughter Amelia Warren Tyagi, offers much of the same financial advice as Good Sense, Crown and Ramsey, though without the religious references or some of the legalistic judgments. Warren is working with the Lutheran financial organization Thrivent to create a credit counseling plan based on *All Your Worth*. Though her writings have not been explicitly religious, she said, “I believe that no one who is pressed by bills and worried about making it to the end of the month can find spiritual peace.”

Added Warren: “Most commentators today seem to divide money and spirituality, keeping them in carefully separated boxes. But I don’t think they are separate.”