



JUST SAY SHEMA II

From Prayer to Practice



LIVING IN MODERATION: KEEPING UP WITH THE STEINS

BY: RABBI YITZI ORATZ – MONMOUTH TORAH LINKS

"ולא תתורו אחרי' ... ויהייתם קדושים לאלקיכם"

"Do not explore after your heart and after your eyes after which you stray . . .
be holy to your G-d." (Numbers 15:39 – 40)

OVERVIEW

FINANCIAL CRISIS... SCANDAL... HOUSING MELTDOWN... BANKRUPTCY... RAMPANT FORECLOSURES...
FORTUNES BUILT OVER A LIFETIME DESTROYED IN AN HOUR...

WHAT IS GOING ON HERE???

The recent financial turmoil has been described by many (including Bank of America CEO Ken Lewis) as being a result of a toxic mix of **greed & keeping up with the Jones'** (or Cohens', or Steins', or . . . Madoffs').

Here is how another pundit described it:

- **John and Jane Taxpayer want a nice big house.** They've never been able to own one before, with only tiny savings and so-so credit. **But they want one so badly!** *Besides U.S. home values would never go down, right?*

Wait... maybe this might not be smart. **But my friends and neighbors have new houses**, so that must mean it's okay! Sign me up!

- **Bob and Christina, the CEOs, run an investment business, and want big profits.** He's earning a decent amount with his hedge funds and traditional bonds, but these collateralized debt obligations (CDOs) are yielding like 10% and still look safe. They are based on mortgages, and *U.S. home values would never go down, right?* With these increased returns, I'll be a hero, and my company's stock price will soar!

Hmm... maybe this might be riskier than it looks? But wait, the big boys like Washington Mutual, Bear Stearns, and Lehman Brothers are doing it. Sign me up!



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- **John and Jane Taxpayer used to need 20% down and good credit for a long-term fixed rate mortgage.** They only have \$5,000 saved up, but want a \$300,000 house. Hey, no problem! You just need that \$5,000 and you can have your house... with 3/1 ARM that resets to a sky-high rate (which you can refinance later, I promise...). Mortgages are the easiest leverage to obtain for consumers. Three years later... the house value dropped 25% and is now only worth \$225k. **They put up \$5k, and are now down \$75k.**

We can ride out the storm, as long as we can refinance this adjustable 15% rate! *Somebody lend me more money!!*

- **Bob and Christina, the CEOs, usually only buy investments with their assets.** But these CDOs are such a good deal. Based on my currently good credit rating, I can borrow at around 7% and these CDOs earn 11%. Sweet leverage! So even though I only have like \$10 billion dollars, I can use that to buy \$100 billion dollars of tasty mortgage-backed securities!

Of course, if they start getting valued at 75 cents on the dollars, my \$100B turns into \$75B. I started with \$10B, and now on paper I've lost \$25B. Our credit rating drops. We need more capital. *Somebody lend us more money!!*

(See <http://www.mymoneyblog.com/archives/2008/09/financial-meltdown-explained-greed-leverage-and-keeping-up-with-the-joneses.html>)

LET US TURN TO WHAT JEWISH TRADITION HAS TO SAY ABOUT THIS ISSUE

We begin with words written centuries ago, which seem today as being eerily prophetic:

Rabbi Moshe Chaim Luzzatto (c. 1707-1747) describes what will occur when desire & excessive consumption rule our lives:

“You will eventually be forced to subject yourself to the clutches of the drive for livelihood and possessions so that your table could be set the way you would like it to be, which will lead you to **wrongdoings and thievery**, which will then lead to you to vain oaths and all sorts of transgressions that naturally follow these . . .”

(See “Path of the Just” chapter 13 & “Everyday Holiness” by Alan Morinis, page 176).

More recently, the great R. Yisrael Meir Ha-Kohen, a.k.a. The Chofetz Chaim, (c. 1838-1933) wrote:

“One should behave when it comes to personal expenditures in the middle way . . . even if G-d has been kind to him and given him great wealth, he should not wear very expensive clothing . . . because it brings a person to arrogance and also incites the Evil Inclination. In addition, **it causes others who do not have the means, to look at him and desire to emulate him.** In the end they will **borrow and not repay their loans or rob and cheat . . .**”

(From *Sefas Tamim*, translated in “Everyday Holiness” by Alan Morinis, page 176).



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Sound familiar??

Indeed, in this very work the author clearly writes that excessive consumption is almost guaranteed to lead to greed, which will lead to dishonesty, which will lead to spiritual and financial ruin for both rich and poor alike.

SOURCES

Let us now turn to the original sources:

- “After your eyes” – this refers to immoral thoughts. (see *Talmud Berachos* 12B, *Sefer ha-Chinuch Mitzvah* 387)
- The wise have taught that included in immoral thoughts is one who constantly runs after physical desires without any constructive intent whatsoever. For example, eating with the intent of experiencing the “latest and greatest” physical pleasure, as opposed to eating for the purpose of being healthy in order to support himself and his family and to give himself the strength to do good deeds.
- “Know that . . . desire draws the flesh as wine draws its drinkers, since the spirit of guzzlers is never satisfied with wine, so that they ever desire it with a great craving; and as they habituate their spirit to it, their craving grows stronger and stronger. Yet, if they were only to drink a cup of water instead, their burning desire for wine would subside and **life would be sweet for them.**”

So in this matter: As any man becomes accustomed to desires and persists in them, his evil inclination will overpower him day by day; but if he refrains from them, **he will constantly be happy with his lot.** (See R. Yisrael Meir Ha-Kohen, *Biur Halacha* 1, *Sefer Hachinuch Mitzvah* 387)

- “**Rabbi Elazar HaKapar** said: **Envy, desire and (the pursuit of) honor** remove a person from the world.” (*Pirkei Avot* - Values of Our Fathers 4:28)

It is evident from his statement that **Rabbi Elazar HaKapar** was very opposed to focusing on the pursuit of our physical desires. Accordingly, one might assume that a person should distance oneself from the physical to whatever degree possible. Yet, the very same **Rabbi Elazar HaKapar**, in explaining the verse regarding a Nazerite who refrains from wine “And make atonement for him, for that which he sinned regarding the person,” (Numbers 6: 11), makes the following statement:

Against which person did [the Nazerite] sin? Rather, he suffered by abstaining from wine... if he, who abstained only from wine is called a sinner, one who abstains from everything—all the more so!
(Babylonian Talmud, *Nedarim* 10a, *Ta’anit* 11a)

- Similarly, we find that the great Maimonides (*Hilchot De’ot* 3:1) writes:

“Perhaps a person will say: ‘Since **envy, desire, honor** and the like are bad, and remove a person from the world, I will abstain from them completely to the extreme’, so that he will not eat meat or drink wine . . . and will not live in a **nice home** or wear **nice clothing** . . . This is also a bad path, and it is prohibited to follow it. One who walks in this path is called a sinner.” (See also *Hilchot De’ot* 5:9)



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Considering all of the above statements, the key to true physical, spiritual, and moral wealth can be summed up in one word: Moderation. Wearing nice clothing, living in a comfortable home, enjoying the world in moderation (particularly on Shabbos, Holidays, and other joyous occasions) is a *Mitzvah* that can lead to a wonderfully balanced life. Yet, as with most things, it is a delicate balance. The importance of educating ourselves and our children in the evils of excessive consumption and the non-stop pursuit of the latest and greatest pleasures, and generally speaking, trying to keep up with the Jones', cannot be stressed enough. (See R. Moshe Feinstein, *Iggerot Moshe*, YD 3:71).

It is worthwhile to remember the wise words quoted in the name of the great Rabbi Yisrael Salanter (1810-1883): **"The luxuries we indulge in eventually come to be necessities, as if we could not live without them."** (Quoted in "Everyday Holiness" by Alan Morinis, page 183)

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Or as I have heard quoted in the name of a contemporary Rabbi:

"Our luxuries are our children's necessities."

We will conclude with some final words of wisdom from the sages of old

(Values of the Fathers 4:1):

"Who is strong? He who subdues his [natural] inclination.

Who is rich? He who is happy with his portion.

Who is honored? He who honors others."

