



Movie discussion resource **The Big Short (2015)**

Engage with culture without disengaging your faith.

Genre: Biographical comedy-drama, history

Rating: M (coarse language and occasional nudity)

Length: 130 mins

Starring Christian Bale (as Michael Burry), Steve Carell (as Mark Baum, based on Steve Eisman), Ryan Gosling (as Jared Vennett, based on Greg Lippmann), and Brad Pitt (as Ben Rickert, based on Ben Hockett)

Director (and co-writer): Adam McKay

Brief synopsis

In brief: Three parallel stories of a few high finance investors who foresee the credit and mortgage housing collapse of the mid-2000s, and decide to take on the big banks for their greed and lack of foresight. They saw the crisis coming, in which massive numbers of American mortgage holders would default. They took the risk to bet against the market by buying up billions of dollars in credit default swaps and then just waited for things to turn their way. A true story, based on the 2010 book by Michael Lewis.

The longer synopsis might help - it's a complex film!

Michael Burry, an eccentric ex-physician turned one-eyed Scion Capital hedge fund manager, has traded traditional office attire for shorts, bare feet and a Supercuts haircut. He believes that the US housing market is built on a bubble that will burst within the next few years. Within the company, Burry largely does as he pleases, so he proceeds to bet against the housing market with the banks, who are more than happy to accept his proposal for something that has never happened in American history. The banks believe that Burry is a crackpot and therefore are confident in that they will win the deal. Jared Vennett with Deutschebank gets wind of what Burry is doing and, as an investor, believes he too can cash in on Burry's beliefs. An errant telephone call to FrontPoint Partners gets this information into the hands of Mark Baum, an idealist who is fed up with the corruption in the financial industry. Baum and his associates, who work at an arms length under Morgan Stanley, decide to join forces with Vennett despite not totally trusting him. In addition to Burry's information, they further believe that most of the mortgages are overrated by the bond agencies, with the banks collating all the sub-prime mortgages under AAA packages. Charlie Geller and Jamie Shipley, who are minor players in a \$30 million start-up garage company called Brownfield, get a hold of Vennett's prospectus on the matter. Wanting in on the action but not having the official clout to play, they decide to call an old "friend", retired investment banker Ben Rickert, to help out. All three of these groups work on the premise that the banks are stupid and don't know what's going on, while for them to win, the general economy has to lose, which means the suffering of the general investor who trusts the financial institutions. *(written by Huggo, on IMBD website)*

Questions for discussion

Some general questions might be enough to reflect on/discuss the movie, such as:

- ❖ What stood out as the main points/highlights in the movie?
- ❖ What themes are explored?
- ❖ What assumptions were embedded in the story?
- ❖ What challenged you? What questions did it raise for you?
- ❖ Are there aspects of the story that resonated with your own story/experience or with the experience of others in a similar situation?
- ❖ What biblical or theological themes or characters come to mind that engage with the story?

Financial language as exclusionary

The film requires characters to talk to camera and explain some of the technical financial terms as it's assumed it's a bit beyond the average person to understand. There are also some 'extras' who appear in a single scene to talk to camera - Margot Robbie in a bubble bath explaining CDOs (collateralized debt obligations) and Selena Gomez at a Vegas blackjack table walking the audience through synthetic CDOs. In what ways is financial language exclusionary, such that 'experts' are needed who understand investments. In what ways may that financial knowledge be self-serving and a source of power, greed and corruption? *Discuss.*

The human cost

Brad Pitt's character scathingly points out to two young hedge fund investors, excited that the market is about to turn in their favour (ie about to crash) that thousands or even millions of people will as a consequence be plunged into homelessness and poverty, with the potential to take down the world's economy. What is the human cost for vulnerable citizens who are the victims of those who are clever enough to read the market, invest and win big time? What about greedy investors and bankers, involved in widespread fraud and corruption? Financiers are often quite separated from the average person, sometimes located high above the streets insulated from the harm their greed inflicts on ordinary people. Who are the 'goodies' and 'baddies' in the movie? And what makes them so? What instances do you know about in relation to the lack of supervision and regulation in the banking and trading systems? *Discuss.*

The Bechdel Test

Cartoonist and *Fun Home* graphic novelist Alison Bechdel developed the test that measures the number and depth of female characters in a work of fiction by asking three questions: Do at least two women appear in the movie, do they talk to each other, and do they have a conversation about something other than men? (Sometimes an additional question is tossed in: Are the female characters named?) Sure, *The Big Short* is a true story, and therefore can narrow its focus to the main characters, who happen to be white men. But still worth talking about the way women are depicted in the film.

In fact, the housing crisis wouldn't have unfolded as it did without women - women like Meredith Whitney. Author Michael Lewis describes her in the prologue to *The Big Short* book: 'Whitney was an obscure analyst of financial firms for an obscure financial firm who, on Oct 31, 2007, ceased to be obscure. On that day she predicted that Citigroup had so mismanaged its affairs that it would need to slash its dividend or go bust. It's never entirely clear on any given day what causes what inside the stock market, but it was pretty clear that, on October 31, Meredith Whitney caused the market in financial stocks to crash. By the end of the trading day, this obscure woman who could have been dismissed as a nobody, had shaved 8% off the shares of Citigroup and \$390 billion off the value of the U.S. stock market. Four days later, Citigroup CEO Chuck Prince resigned. Two weeks later, Citigroup slashed its dividend. From that moment, when Meredith Whitney spoke, people listened. Whitney's mentor was Steve Eisman, the inspiration for Steve Carell's character in the film. *Discuss.*

Money, the economy and the 'common good'

American theologian John B. Cobb asserts that "Western society is organized in the service of wealth" and thus wealth has triumphed over God in the West. In the world of the New Testament, it was understood that 'since all good exists in limited amounts which cannot be increased or expanded, it follows that an individual, alone or with his family, can improve his social position only at the expense of others'. (Bruce Malina, 'New Testament World', pp71-93). An early church father, John Chrysostom (c. 347-407), once wrote: "This is the rule of most perfect Christianity, its most exact definition, its highest point, namely, the seeking of the common good . . . for nothing can so make a person an imitator of Christ as caring for his neighbors." 'A commitment to the **common good** could bring us together and solve the deepest problems the world now faces: How do we work together? How do we treat each other, especially the poorest and most vulnerable? How do we take care of not just ourselves but also one another?' (Jim Wallis). *Discuss.*