

# The Financial Seminary

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SPIRITUAL ECONOMICS FOR AMERICA'S CHURCHES, MINISTRIES, COLLEGES & SEMINARIES

CLASS THREE  
FORWARDING IS ENCOURAGED



## ***Responsibility: The Price of Personal, Corporate and National Greatness***

“There are doubtless as many ways of associating Jesus Christ with the responsible life as there have been ways of associating him with the ideal life or the obedient one...The Christian ethos so uniquely exemplified in Christ himself is an ethics of universal responsibility.”

H. Richard Niebuhr  
*The Responsible Self*

Last month's column did a little preaching about the new philosophy of political-economics recently developed by secular libertarians. We focused on Ayn Rand who termed us Christians “sacrificial animals,” as well as Nobel economist Milton Friedman who taught the only social responsibility of a business is to make money.

Had either actually worked in the canyons of capitalism, or Wall Street, they might have better understood that even modern capitalism begins with us: 1) sacrificing consumption, 2) and saving in a way that 3) creates a more abundant life for others as ourselves. Obviously, sacrifice, saving and ethical wealth creation are central concepts of the Christian faith. Trust lubricates the process. Lose them and you lose the foundations of the abundant life, as we learned in the recent credit crisis.

There's a scholarly new biography of Ayn Rand entitled *Goddess of the Market*. It's written by Jennifer Burns, a professor of political science. She explains Rand's philosophy very clearly:

“Rand was blazing a trail distinct from the broader conservative movement, as indicated by the title of her second nonfiction book, *The Virtue of Selfishness*. Whereas traditional conservatism emphasized duties, responsibilities, and social connectedness, at the core of the right-wing ideology that Rand spearheaded was a rejection of moral obligations to others.”

Burns explains the political and theological battles between God-loving conservatives who believe we have a moral responsibility to love our neighbors as ourselves, and the disciples of Rand who don't think so.

For example, in the area of charity, Rand famously told *Playboy* magazine: “What I am fighting is the idea that charity is a moral duty and a primary virtue.” She consciously worked to turn *her* values, like selfishness, into virtues, as indicated by *The Virtue of Selfishness*.

The result, as we now know, was stated Nobel economist Daniel McFadden in the August 21, 2008 edition of *The Wall Street Journal* is:

***“What's been lost is the idea that a banker has some responsibility to protect the client's interest.”***

Yet it wasn't “lost”; it was moralized away so our cultural elite might make a buck and/or maintain power. The rest of us are now quite skeptical, perhaps cynical, of politicians and other professions as well.

But you can still go to the website of Friedman's contemporary at the University of Chicago, Nobel economist Gary Becker, and find he's still preaching the philosophy that businesses basically have no social responsibilities other than to make money through whatever is legal. ([www.becker-posner-blog.com/archives/2005/07/do-corporations.html](http://www.becker-posner-blog.com/archives/2005/07/do-corporations.html).)

Adam Smith, who most businesspeople consider an advocate of laissez-faire economics as they've only read *The Wealth of Nations*, began his book *The Theory of Moral Sentiments* with this thought: “How selfish soever man may be supposed, there are evidently some principles in his nature, which interest him in the fortunes of others, and

render their happiness necessary to him, though he derives nothing from it except the pleasure of seeing it.” It’s the ageless story of Scrooge and Tiny Tim.

Now we should meddle by addressing our personal finances. We on Main Street and Church Street usually find Rand and Friedman’s philosophies to be abhorrent. Yet very few of us consider the social consequences of our investments. In the words of noted Wall Street critic Michael Lewis in *The New York Times* magazine on June 6, 2004: “The investor likes to think of himself as a force for honesty and transparency, but he has proved in recent years that he prefers a lucrative lie to an expensive truth. And he’s very good at letting corporate management know it. Investors, in their short-sightedness, encourage companies to neglect their social responsibilities.”

In the church, this is accomplished by the theology of Andrew Carnegie that we can make money even as robber barons assuming we give it all away before we die. That theology created enormous misery for Christian CEO’s like Ken Lay of Enron, Bernie Ebbers of Worldcom and so on. Yet several ministries argue we can be Christian in portions of our lives, or times of our lives, without being in other portions and times.

During the nineties, two of the most visible evangelical planners in the country, who always strongly advocated charity, actually *discouraged* the consideration of social responsibilities when investing. They usually made the case that ethics simply have to cost you money, not realizing that simply investing for the most money possible is precisely the philosophy of Rand.

The Bible suggests ethics must be a part of *every* act of wealth management. (See particularly Ex 21:28 which says the habitual failure to manage wealth, even the relatively small wealth of biblical times, in a responsible fashion was a capital offense, and Ex 21:33, 22:25, 23:4, 23:9 and 23:10).

So how might we be faithful with stocks, bonds and CD’s rather than sheep and vineyards? **First, imitate the holistic consciousness of Christ**; and understand that’s not simply sound theology but sound economics. It’s highly doubtful the two hundred billion dollars of charity we give each year can repair the damage that can be done by the world’s two hundred trillion dollars of capital. Not only our giving but the use of our capital should be guided by the teachings of Christ.

Understand that we might need less welfare, government housing, and food banks if we invest in beneficial businesses that create jobs, affordable housing and so on. We might also need fewer bailouts if we invest in responsible banks and investment firms, rather than blindly seeking huge returns.

**Second, do no harm to your neighbors.** Look at the holdings of your mutual funds and see if you want your children utilizing their products. Are they irresponsibly creating problems for society, or taxpayers if you prefer that term? If so, consider socially/biblically responsible funds ([socialfunds.com](http://socialfunds.com) or [dlsconsult.com](http://dlsconsult.com)).

**Third, do some good for your neighbors**, particularly the jobless and poor. For example, there are “community development” banks and credit unions that responsibly finance a better life for people from the inner-cities to Appalachian areas to Native Americans. You can now even earn market returns by lending your money to “micro-enterprise” or “micro-lending” organizations, including Christian ministries like Opportunity International on whose board I have served. It will lend your money as tiny loans to people who want to create absolutely life-changing jobs in the Third World.

**Next, do this holistically rather than politically.** You may hear conservative planners say you should assure the companies you invest in do not make contributions to liberal causes like Planned Parenthood. That’s fine. But the primary concern of biblical prophets was opposing the prophets of Baal.

John Allison, the chairman of BB&T bank is a devout disciple of Rand. He recently told *The New York Times* that Rand’s philosophy will “be the dominant one in this country in 25 years.” According to Jennifer Burn’s book (page 297), the bank’s foundation helps that happen by being a major donor to the Ayn Rand Institute.

Of course, that funding originates with those who do business with the bank. In short, understand that Christ consciousness realizes we’ve all fallen short. We just don’t want to encourage that fallen nature.

**Finally, understand there is hope for America**, as exemplified by the number of recent economic books suggesting we've learned our lessons about responsibility. The senior editors of *The Economist* magazine have recently authored a book entitled *God is Back* and Robert Fogel, another Nobel-laureate, has authored *The Fourth Great Awakening*. Only one of those three authors is a believer but each sees major changes ahead that should be good for our nation's businesses and financial system.

Peter Drucker's *Post-Capitalist Society* specifically denounced Friedman's teaching and suggested we are headed for a responsibility-based society. Last but not least, the *Financial Times* of London has recently published a series on The Future of Capitalism. One article by Lord Richard Layard entitled "Now Is the Time for a Less Selfish Form of Capitalism" said:

"Accelerated economic growth is not a goal for which we should make large sacrifices. In particular, we should not sacrifice the most important source of happiness, which is the quality of human relationships. We have sacrificed too many of these in the name of efficiency and productivity growth. Most of all, we have sacrificed values. In the 1960's, 60% of adults said they believed 'people could be trusted.' Today, the figure is 30%, in both Britain and the U.S....So we need a trend away from excessive individualism and towards greater social responsibility. That is the kind of capitalism we want."

I call that kind of responsible capitalism "stewardism" to distinguish it from Rand's selfish and irresponsible kind. I hope, no pray, it's the kind Christians still want.

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Gary Moore was a Senior VP of a major Wall Street investment firm before thinking of seminary in the 80's. His latest book on ethical wealth management is *Faithful Finances 101*, from the John Templeton Foundation Press. Read more at [www.financialseminary.org](http://www.financialseminary.org)