Money & Soul: Bringing Our Faith Values to the Economy

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TO THEOLOGIAN WALTER WINK, Spirit is at the core of every institution. These institutions, or Powers, are created with the sole purpose of serving the general welfare of people, and when they cease to do so, their spirituality becomes diseased. The task of the church is to identify these Powers, discern whether they contribute to the common good and, if not, redeem them and call them back to their original ‘divine vocation.’ To call our economy back to its divine vocation of organizing society to provide for livelihood and welfare, while protecting the earth on which it depends, we have to ask big faith-based questions.

What is true wealth? Is it money, infrastructure, natural resources, our fund of common knowledge, our human capacity, our spiritual depth? How can that which we value be increased?

What needs to be equal? Probably not everything—but some things.

What does democracy have to do with economics? Who should decide, and where should control be located? There is probably no simple answer for all situations, but it is a question that cries out to be asked.

How is well-being tracked? What should be measured?

An opportunity to ask these big questions came up at Philadelphia Yearly Meeting in the summer of 2014. We had gone through some very lean and painful years following the great 2008 recession, laying off over a third of our paid staff and slashing program expenses to the bone. After several more years of tight fiscal controls, forced savings, and austerity spending, finally, at annual sessions that summer, we heard the good news:

"Spending is stable; resources are up; income is showing a tendency to rise. If the stock market just continues to grow, we can anticipate more reassuring financial statements for years to come."

“If the stock market just continues to grow…” That phrase rang in the ears of several of us who were active in our yearly meeting’s Friends Economic Integrity Project. What a paradox! Our yearly meeting depends on growth in the stock market. Yet that growth is a driver of economic inequality and environmental destruction.

A handful of us gathered at the end of Sessions to scratch our heads together. With our endowments so deeply dependent on these investments, and many of us counting as never before on investment for our retirement security, how could we challenge this system with integrity and effectiveness? None of us were trained economists, but we all saw our economic system at the root of many of the problems we are facing, from inequality to climate change. To help puzzle out these issues, several of us took on a writing project that would lead to the book Toward a Right Relationship with Finance: Interest, Debt, Growth and Security, published by the Quaker Institute for the Future.

In the process, I got a much better picture of the radical shift in our economy in the late 1970s, from the strong New Deal and post World War II emphasis on serving the common good to one promoting private gain. Tax rates on the rich plummeted from 91 percent in the 1950s to 28 percent with Reaganomics. Regulations on business, banking, and finance were loosened. The private sector’s influence grew. The system we now find ourselves in—sometimes known as “neoliberal” economics—hearkens back to the laissez-faire era of the Robber Barons.

I learned how our retirement system changed over that period of time. After WWII, retirement security based on the shared systems of job pensions and Social Security was the norm (at least for white men). Since then, it has shifted steadily toward individual retirement accounts—with individual security increasingly dependent on interest from investments.

The connection between interest and debt on the one hand, and growth and inequality on the other, is compelling:

- Virtually all money is created when banks make interest-bearing loans.
• Taking on loans means taking on debt.
• So more money needs to be made in order to pay off the interest on that debt.
• Thus the requirement for economic growth is baked into the system.
• When there were great untapped resources—minerals, forests, topsoil—and easy access to stored sunlight from the past in fossil fuels, such an expansive system could work.
• But it has no future on a spaceship, as Quaker economist Kenneth Boulding so eloquently pointed out.
• Since producing more is linked to using more resources, Earth’s ecological systems are increasingly strained.
• And inequality steadily grows as interest payments make lenders richer and debtors poorer.

It’s a land mine of ethical issues.

First, there is the question about rights. Do we have a right to interest income that we haven’t earned through our own effort? Beneath that question lies a bigger one: Does having anything mean we have a right to it?

Second, there are questions about fairness. Sometimes a loan can be fair for both sides. But should it be easier for people with some assets to get more than for people with no assets to get some? Should people who have not yet begun their work life be in debt? When does debt become indebtedness?

Then there are questions about relationships and connection. What if my gain in economic security involves someone else’s loss? What does inequality—or even a focus on individual security—do to our sense of connection?

And then, of course, there is the big question of what really brings security. Can it come from laying away treasures on Earth?

Building on our confidence that we have a right to speak up about issues of war and peace, the world needs us to step boldly into the arena of economics and apply our faith values to these big hard questions. In the next issue, I will use a framework of the Quaker testimonies to reflect on how to put these faith values into action.

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