



Inside Money

Louis E. Newman Money and Morals.	1
Yehiel E. Poupko <i>Tzelem Elokim</i> and the Free Market.	2
Diana Furchtgott-Roth & Simon Greer A Roundtable on the Economy.	3
Rebecca Kobrin Jewish Immigrant Banks: Financial Failure and American Capitalism	5
Scott A. Shay Banking as Moral Hazard.	7
Joel R. Fogel Reflections from the Eye of the Storm	8
David Wander <i>NiSh'ma</i>	10
Paul Buhle The Jewishness of <i>Jews Without Money</i>	12
Allison Schachter Jewish Women as Industrious Earners	13
Melissa Boteach & Steve Gutow <i>Sh'mitah</i> and <i>Tu B'shvat</i> : A 21st-Century Call	14
Shifra Bronznick & Didi Goldenhar Balancing Work and Life	15
Book Recommendations for President Obama	16
Shulamit Reinharz Book Review	17
Mordechai Liebling <i>Sh'ma</i> Ethics	20

With this issue, we try to make sense of an economic crisis that overwhelms all of us. From our own ability to work and earn a living, to the global economic marketplace, we awake each morning to dire news and for the most part, can comprehend very little. We are forced to trust “experts” though they also seem to be swimming — rather, flailing — in uncharted waters. Money is about trust — it’s about a relationship between two people, or within a group, a lender and borrower, a seller and buyer. Over the past months, we’ve learned that this relationship of trust has been abused. How we now address the financial meltdown, how we respond personally, as members of communities, and as global citizens, will say something about our moral resources, and our philosophical understanding of the nature and connection between money and ethical behavior. This issue of *Sh'ma* is devoted to how to think about an out-of-kilter economy, what it might mean for our homes, our communities, our Jewish institutions, and our future. I began thinking about this January issue early in the summer; then devoted to work, the issue featured a series of memos to the president-elect about what Judaism might say about the importance of a dignified workplace and fiscal fairness. We still include a couple of essays addressing these concerns, as well as a number of reading recommendations for Barack Obama, on his inauguration. —SB

Money and Morals

LOUIS E. NEWMAN

Because money plays such an important role in our lives, it is perhaps no surprise that our relationship to it is complex and paradoxical. In many ways, money bestows power, yet money also has enormous power over us.

Our ability to live comfortably, to have opportunities and the leisure time to enjoy them, to be free from the fear of going hungry, to provide for our children, to improve the lot of others and to obtain positions of prominence in society — all these depend, to a greater or lesser degree, on the extent of our financial security. But precisely because it is such a powerful force in our lives, money frequently overpowers all other considerations in our system of values and so makes it harder for us to live healthy, meaningful lives.

If the recent global financial crisis proves anything, it is that the pursuit of money, taken to its extreme, can even lead to financial ruin. When we glorify money and treat it as an end in itself, we may subordinate our value system, our spiritual needs, our integrity, our respect for others, and (ironically) even our financial security all in the pursuit of greater wealth. How, then, shall we establish and maintain a balanced and healthy relationship with money?

Jewish Guidance for the Use of Money

Judaism challenges many of our most fundamental assumptions about money. We almost universally assume that if we make money, it is ours. Yet, Judaism teaches us to be grateful to God for our prosperity and not to take undue credit for our material success. The Torah puts this very directly and succinctly: “Beware lest your heart grows haughty and you forget the Lord your God . . . and you say to yourselves, ‘My own power and the might of my own hand have won this wealth for me.’ Remember that it is the LORD your God who gives you the power to get wealth.” (Deuteronomy 8:14, 17–18)

Given that we owe our prosperity to God’s beneficence, the Torah requires us to share the gifts that we have with the poor and the marginalized in society. The rules governing the agricultural

Louis E. Newman is John M. and Elizabeth W. Musser Professor of Religious Studies at Carleton College in Northfield, Minnesota. This article is adapted from *Jewish Choices, Jewish Voices: Money*, Elliot N. Dorff and Louis E. Newman, eds., recently published by the Jewish Publication Society.

gifts for the poor (Leviticus 19:9–10; Deuteronomy 24:19–21) were clearly designed to reinforce the principle that everyone in society must share in the collective good fortune of others.

The Torah also prohibits us from using our financial power to oppress others. We may not charge usurious interest or any interest at all to other members of our own community. (Exodus 22:24; Leviticus 25:35–37; Deuteronomy 23:20–21) Moreover, the cancellation of all debts every seventh year ensures that creditors cannot use their financial advantage to create a permanent class of debtors. (Deuteronomy 15:1–3)

Finally, Jewish teachers over the centuries have cautioned against allowing the value of money to eclipse other values in life. When our sages ask, “Who is rich?” the answer is not “the one who has the greatest net worth,” but “those who are satisfied with their share.” (*Avot* 4:1) The goal is not to amass more wealth but to cultivate more serenity with the material success one has.

Today our need for a set of core values to keep the power of money from overpowering us is greater than ever. Some basic Jewish values to guide us include:

Honesty: Earning money honestly, without misrepresentation or fraud, and compensating

those who work for us fairly, without taking advantage of their vulnerabilities, are essential to creating and preserving trust between people.

Humility: Recognizing that our money is the product of many hands besides our own will tend to curb our tendency to self-aggrandizement. We will use our money best if we begin with a sense of gratitude, rather than of entitlement.

Generosity: Our willingness to share liberally of what we have with those less fortunate is essential to securing the common good and protecting the human dignity of every person.

Extrinsic Value of Money: Money is valuable solely for the ways in which it enables us to survive, and then to live more fully. We need to cultivate a healthy relationship to money, one in which moral values define our use of money, rather than the reverse.

Money, or its functional equivalent, will be with us for the foreseeable future. Without a set of values to guide us, money itself will become an end in itself. But since money is “value-free,” this almost certainly leads to the pursuit of greater amounts of money and greater freedom in using it. Jewish values will help ensure that one of the most powerful tools for human flourishing continues to be harnessed for good. 🌍

Tzelem Elokim and the Free Market

YEHIEL E. POUPKO

Abraham, Isaac, and Jacob were business people. The Torah gives us an audit of their wealth. Surely they were blessed by God and just as surely they knew how to engage in the commerce of domesticated herds and flocks. The framework of a life lived with justice, righteousness, holiness, and purity is this real, normal, messy, and hurly-burly world. Adam is put in the Garden to “till it and to tend it.” We are expected to work that garden to make it grow and to benefit from its produce. And to then bring it to market.

The free marketplace, in which producers and manufacturers of goods meet people who want to purchase their goods, is the realization of two fundamental Jewish ideas. What is it that constitutes the marketplace? First there is the obligation to improve civilization by learning about nature and learning how things work. This is known as science. This is necessary in order to develop a better chair, a better medicine, a better computer. Technological advance is the result of human beings seeking to build civilization

and to better the human condition. Someone who gets up in the morning with nothing to do and no place to be, who sits idle, is not contributing to *Yishuvo Shel Olam*, to the development of civilization. The second is free will. The marketplace is constituted of free will. Human beings freely manufacture goods through their God-given intellectual and emotional resources, which enable them to acquire knowledge and use judgment and wisdom to create ever better goods. The human manufacturer meets the human customer and they engage in the free will exchange of value for goods.

The Talmud Yerushalmi expresses a simple truth when it says that, in the main, the existing price for goods is the proper price because if it is too high the customer will not purchase and if it is too low the entrepreneur will not sell. In general, Jewish law prefers the mechanisms of the free market for providing the greatest good for the greatest number of people. Surely there are occasions when the rabbinic courts intervene in the interests of justice and righteousness.

Rabbi Yehiel E. Poupko is Judaic Scholar at the Jewish United Fund/Jewish Federation of Metropolitan Chicago.

January 2009/Sh'vat 5769
To subscribe:
877-568-SHMA
www.shma.com