BOOK REVIEW
For God and Profit: How Banking and Finance Can Serve the Common Good

By Samuel Gregg
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Reviewed by
Kirk Jackson
Southern Nazarene University

In the world of finance, few voices provide a clear call to view finance as a restorative part of society. Instead of condemning finance and those that work in the financial sector, the author provides an argument for the good finance brings to society and how Christians can use finance to help those around them. Using a philosophical position that market based economies provide opportunity for individuals and societies to flourish, Samuel Gregg provides a three part argument which includes a history of finance, a moral framework by which finance can be restorative and how contemporary issues in the financial industry can be addressed using this framework. Samuel Gregg is Director of Research at the Acton Institute. He has a Ph.D. in moral philosophy and political economy from the University of Oxford and has published several books on faith, economics and ethics. In this book, Gregg draws heavily from the work of Roman Catholic scholars but tries to provide a general Christian approach to that topic that could span all denominations within Christianity.

Part 1 reviews Christianity's historical perspective of finance as shaped by concepts of usury, poverty, economic growth and public finance. Chapter 1 sets up the argument of the book which can be seen in the title; *For God and Profit*. *Deus enim et proficuum* (for God and Profit), commonly written in the accounting ledgers during the Middle Ages, is generally seen as a sincere reminder of the goal for the business and its greater work in society. Gregg provides a historical context for this axiom through the development of market economies and how men and women of faith have tried to use their work to bring glory to God.

In Chapter 2, Gregg provides a history including ancient Greece, Hebrew law, Christian scripture and early church fathers which provides context on moneylending, usury, and interest. Some ancient authors dealt with all commerce in harsh terms, but finance related activities were regularly scorned. Although usury (interest charged to exploit the poor) was always condemned, the author argues there is a lack of an absolute condemnation of moneylending or interest in certain circumstances. The key idea in how interest was viewed is that ancient economies were predominantly subsistence economies and therefore zero-sum economies. Without the ability to create new wealth, moneylending practices were activities in which the rich exploited the poor for basic consumption needs.

The pivot point of the book comes in Chapter 3 where the author identifies the change in how interest and financial instruments were viewed. Moving through the historical perspective, the acceptance of interest occurs in the Middle Ages when European societies experienced a *Commercial Revolution*. Productivity increased in many industries and the need for financing caused a change in the view of money. Previously, money was solely a medium of exchange for consumption, but some began to view it as capital, having the potential for productivity. With the change in economic conditions, issues related to risk for loaning funds entered the cultural dialogue. Religious orders began to lend money at what became market rates to the poor and subsequently provided additional opportunities for economic growth.

As economies grew, the desire for standardized monetary units and currencies increased in these countries. Chapter 4 deals with sovereign powers issuing currency and problems related to inflationary pressure on the currency due to governmental mismanagement. More modern financial instruments such as tradeable bonds became more common during this period. However, as modern finance increased, writings of Christian scholars diminished to where little was written about the connection between Christian values and money usage. This left little moral guidance on how to operate in this industry.

Moving into Chapter 5, the book transitions its focus from historical perspective to moral framework. The core principle of the book is a moral framework which distinguishes between fundamental goods and instrumental goods in which instrumental goods are subordinate to fundamental goods. Fundamental goods are identified as those basic freedoms which include life, health, friendship, integrity and work. These goods will differ between individuals because each person has free will to pursue what will create the best opportunity for them to flourish. Self-determination becomes the driving force by which people achieve their fundamental goods through the stewardship of instrumental goods. These instrumental goods would include money or any economic resource. This framework extends to the use of public property and private property. Gregg applies the positive view of private property of Thomas Aquinas to instrumental goods in which he argues that people take better care of property deemed exclusively theirs versus that which is publicly owned. Also, limiting individual responsibility to those things which is exclusively theirs reduces confusion of responsibility and tension between individuals. Yet, Gregg identifies that private property holds no absolute intrinsic value since individuals should be driven by a desire to use their resources to help themselves and others. Yet, regardless how private property is allocated, it should always be seen as an instrumental good. Creating the false idea that any property is a fundamental good creates tension which leads to corrupt behavior.

Chapter 6 begins the section in which the author provides broad coverage of contemporary issues such as speculation, financial crises, short-term versus long-term investment horizons, just versus unjust compensation and arbitrage. The core idea in all of these issues relates to the perception that the financial sector has become detached from the communities it serves. It points to the increased use of mathematical models that replace instead of supplement the human element in these markets. The author states that increased reliance on these models and resulting financial instruments of exponential complexity creates a market in which finance does not function as stewardship of instrumental goods but rather distorts itself into a fundamental good which corrupts the system.

This thought continues into Chapter 7 where the focus is on the influence government has in banking and capital markets and the real concern of *moral hazard* in all government policy. Related to this is the issue of "too big to fail" and bailouts which seem counterintuitive since there is "…something fundamentally wrong with allowing people in finance to be capitalists in good times and socialists in bad times." The author discusses solutions to problems in the financial markets which include potential regulation at the national and global level, but rejects any idea of requiring Christians to support or oppose such regulation. At the core of the argument is that moral hazard is not solved by policy solutions but by moral solutions.

The author concludes the book in Chapter 8 by advocating for those working in financial industries to see their work as *vocatio* (calling) and *magnificientia* (a great work which must occur). Gregg argues that this can happen by viewing money as an instrumental good through which good things can be done for fundamental goods such as human flourishing. Banking allows money to be productive in that it provides some return, even though small, and provides opportunities for those that need money to grow their business to have access to that pooled capital. As the author points out in several passages, banking provides a valued service of connecting community members because it exists where opportunity and resources meet.

Gregg identifies three audiences for his book: clergy, Christians working in the financial sector and Jews working in the financial sector. This book would be beneficial for several majors at a university including finance or accounting majors looking to work in the financial sectors and ministry majors who could use the book to better understand their parishioners and the economy.

This book could be used as a supplemental reading assignment in an upper division economics or finance course. It could serve as the basis for discussion forum assignments for both in-class or online classes, a written book review assignment or student presentations by chapter. With the development of the moral framework, it could be used in an interdisciplinary class between finance and philosophy. This book would well serve instructors trying to provide a way to integrate faith into their classroom.

Kirk Jackson is an Assistant Professor of Finance and Business in the Graduate Studies in Management Department at Southern Nazarene University (SNU). Prior to joining the graduate faculty at SNU, he served as faculty and Dean at Oklahoma Wesleyan University and department chair at Southwestern Christian University. His research interests focus on corporate finance, central banking policy, agency theory, capital markets and faith integration in finance.