

A Pastoral Letter from the
Conference of Bishops of the
Evangelical Lutheran Church in America

Almighty God, . . . teach us how to govern the ways of business to the harm of none and for the sake of the common good; through Jesus Christ our Lord. Amen.

Evangelical Lutheran Worship, p. 78

Grace and peace to you.

As bishops of the Evangelical Lutheran Church in America, we are deeply concerned about the current financial crisis, which is affecting not only our nation but the entire global economy. This crisis is causing fear and loss in our country as thousands of families face unemployment, foreclosure, and uncertainty about savings and pensions. Meanwhile, they struggle to put food on the table and gas into their cars. The future is uncertain for all of us, but it is especially frightening for those who are already vulnerable and struggling to survive. We offer our prayers for those whose lives are being affected and for our national leaders as they seek to address this complex matter.

We call on all people in our own communities of faith and those from every segment of our society who seek the health of our nation to join in conversation and prayer about our collective economic life, our financial behaviors, and the interconnectedness of all life and creation that cries out to be reclaimed.

This church has addressed the issues surrounding economic life in its social statement, "Sufficient, Sustainable Livelihood for All," (www.elca.org/What-We-Believe/Social-Issues/Social-Statements/Economic-Life.aspx), and we encourage the use of this statement as a way to understand more fully how the following theological and biblical principles are central as we respond to this situation.

Concern for People in Poverty

The constitution of the ELCA calls this church to serve by "standing with the poor and powerless and committing itself to their needs." (ELCA 4.02.c.). We are grateful for the pastors and leaders in our congregations who already have stepped forward to care for those who are suffering, and we encourage them to continue this response and to provide leadership in the task of turning our attention to the causes and effects of this crisis. We are called to work toward an economic system that truly serves the common good and especially the needs of the poor. We look for partnership with all those who seek to address this financial crisis in a way that also recognizes the humanitarian issues involved.

Personal and Corporate Responsibility

The ELCA social statement on economic life calls for individuals to live responsibly and within their means and to beware of the dangers of over-consumption and unnecessary accumulation, which draw us beyond authentic need into excess and destructive indebtedness. We call on businesses and corporations of all sizes to consider the social implications of company policies and to practice good stewardship of creation (Genesis 1:26).

(cont. next page)

The Need for Good Government

We hold and teach that government has an instrumental and constructive role to play in our shared life. This role includes “limiting or countering narrow economic interests and promoting the common good” (“Sufficient, Sustainable Livelihood for All,” p. 11). We call on government to hold corporations and other powerful economic actors accountable for the effects of their practices on workers, communities, and the environment.

The Benefits and Limits of Free Markets

For many people, the current market-based economy has proven to be effective as a system to meet material need, generate wealth, and create opportunity. However, we hold and teach that any economic system should be measured by the degree to which it serves God’s purposes for humankind and creation. Those who have been blessed by the fruits of our economy are called to be generous in giving to those who have lost much and to advocate for accountability and appropriate regulation in this system.

As people of the God who calls us out of fear into hope and community, we welcome all people into widespread and respectful discussion about this current crisis. In this way we can create partnerships that will help those whose lives are being shattered and encourage responsibility and integrity in our national economic life.

As people of faith, we pray:

Almighty God, your Son Jesus Christ dignified our labor by sharing our toil. Guide us with your justice in the workplace, so that we may never value things above people, or surrender honor to love of gain or lust for power. Prosper all efforts to put an end to work that brings no joy, and teach us how to govern the ways of business to the harm of none and for the sake of the common good; through Jesus Christ our Lord. Amen.

The Conference of Bishops
Evangelical Lutheran Church in America
October 7, 2008

ELCA ADVOCACY ALERT OCTOBER 2, 2008

The current financial situation is both troubling and complex. While it is described as a Wall Street problem, it also causes problems for all our families and communities. In addition to the current stress of making ends meet, putting food on the table, and putting gas in the tank, people are now concerned about the health and future of their retirement savings; families are concerned about declining home values and access to loans they might need in the future; and small businesses are concerned about the availability of necessary lines of credit. There is also concern about the potential for further economic downturn, which would threaten jobs and put added stress on individuals, families, and small business, especially those who are already vulnerable and struggling. Problems in the financial markets, no matter how dubious their causes and how removed they seem from everyday life, can cause problems for all of us.

WHAT WE ARE DOING

The ELCA Advocacy Offices are following the developments in the current financial situation and the subsequent discussions about how best to address it. However, rather than recommend one particular course of action in this vastly complex matter, we are choosing to offer several faith principles for people of faith to engage in conversation and reflection during these challenging and complicated times. Any action or attempt to resolve the current situation should be prudent and just. Further, it should display a concern for the marginalized and people in poverty; it should be an exercise in good government, which includes accountability and oversight; and to the degree possible, it should place responsibility and new risk with the appropriate parties.

A statement to aid in navigating these waters, based upon the social statements of the ELCA, is available below or at the following link: www.elca.org/advocacy. We trust that this will be a time of rich discussion and reflection for Lutherans, all people of faith, and all in America.

Background on the Mortgage-Financial Crisis from the ELCA Washington Office

The ELCA's social statement on economic life tells us that "there are difficult and complex trade-offs and ambiguities in the dynamic processes of economic life."¹[1] The current financial crisis and the subsequent discussions about how best to address the crisis are cases in point. A number of major financial institutions have essentially collapsed, and economic uncertainty and insecurity are on the minds of Americans, from individuals facing foreclosure to families struggling to meet basic needs to seniors concerned about the future of their retirement savings. Over the last few months, we have seen the government step in to stabilize several of those teetering companies, and for months to come we will see proposals seeking to ensure broader financial stability.

One proximate cause of this situation is a human-made housing bubble, whose bursting has significantly reduced home values and caused a wave of bad debt and home foreclosures, of which there were about 100,000 in August²[2] and estimates of as many as 3 million for 2007 and 2008 combined.³[3] Just as these bad debts have metastasized throughout the financial system, causing great instability and mistrust, the responsibility for the crisis is also widespread. Certain borrowers, lenders, regulators, speculators, and

politicians of all parties – either by omission or commission – played roles in the creation of the artificial bubble and its subsequent burst. This housing crisis is part of a much larger story, the culmination of years of short-sighted political and financial decisions. As individuals and as a nation, we must take responsibility for having turned a blind eye to the greed and corruption that we have allowed to prevail in our lives and our financial markets.

Lutheran theology calls for good government, meaning in part that “government is intended to serve God’s purposes by limiting or countering narrow economic interests and promoting the common good.”^{4[4]} This includes the possibility of sensible, targeted, and well-reasoned intervention into the market to bring stability, restore confidence and credibility, and avert greater crisis. Our theology also calls for individuals to live responsibly and within their means and for corporations to consider the social implications of company practices and to practice good stewardship of creation (Genesis 1:26), pursue justice (Amos 5:24), care for people in need (Matthew 25:40), and seek things that make for peace (Luke 19:41-42).

There is not consensus – among economists, politicians, or the public – as to how to most effectively address this current financial situation. However, with our social statement language in mind, we believe that any proposed solution to the current financial crisis should, as much as possible, hold accountable those parties responsible for the crisis and not impose additional burdens on the marginalized and poorest. On behalf of the ELCA social statements, the Washington Office and Office for Corporate Social Responsibility call for the following:

- measures of accountability, transparency, and oversight in any plan;
- in the event taxpayer funds are required, adequate protections for taxpayers and public funds, including safeguards that ensure public equity and hence the possibility of return;
- relief and support directed at the root of this crisis – home foreclosures – including the possibility of mortgage re-financing for those facing foreclosure and protection for renters who face eviction from properties foreclosed upon;
- investments in the real economy, especially support for the low-income people most vulnerable in times of economic distress; and
- boundaries on executive compensation and shareholder bailouts funded with taxpayer money.

Going forward, the ELCA Advocacy staff will call for appropriate regulatory reform of the financial services and housing sectors so that the government can monitor practices more effectively and efficiently.

The ELCA’s social statement on economic life includes the following charge: “Governing leaders are to be held accountable to God’s purposes: ‘May [they] judge your people with righteousness, and your poor with justice. . . . May [they] defend the cause of the poor of the people’ (Psalm 72:2).”^{5[5]} Any proposed solution to the current financial crisis must conform to this biblical standard.

CONTACT

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