Journal of Markets & Morality
Volume 18, Number 1 (Spring 2015): 61–79

Debt, Risk, and Grace

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God created debt relationships as a way to obey his commands of stewardship, justice, and love. God also created risk and wants us to take risks when we see good potential for the return of stewardship, justice, or love. God's common grace is necessary for all this to work according to his plans. By God's common grace the impact of sin on debt markets is mitigated, debt markets can be stewardly, just, and loving, and we can imaginatively create new ways to take risks in debt markets according to God's design.

Introduction

The global debt markets, where borrowers and savers share resources, are large, risky, and secularized. Globally there was $158 trillion of outstanding debt at the end of 2010.[1] The vast majority of households participate in debt markets either as borrowers or savers. Despite its commonness, debt is risky in a world where we cannot predict the future. Sometimes we cannot keep the debt promises we make, resulting in loan defaults and debt crises. Further, debt markets seem quite secularized. Unlike some other pervasive parts of human life such as education, social services, health care, housing, and politics, debt markets do not have any prominent Christian organizations or thought leaders. Finally, several biblical passages seem to teach and some Christians do teach that debt is something that Christians should stay away from.

In this article, I show that God created risk and intends for us to take financial risks as one way to obey the biblical mandates of stewardship, justice, and love. Although sin impedes our ability to do this, by God's common grace we can seek to fulfill God's creation design for debt. We see the protective function of common grace in the debt market practices that limit the effects of greed and lying that plague risk taking. We see the constructive function of common grace in the mainstream use of borrowing and lending that promotes human flourishing through prudent risk taking. We see the imaginative function of common grace when Christians work alongside like-minded non-Christians to develop creative practices and organizations that enable debt markets to promote justice and love.

The article proceeds as follows. I first review the relevant literature on which the above ideas are developed. Second, I make and support a series of propositions about debt, risk, and grace. Third, I develop specific implications for debt market participants. The hope is that these implications support active and thoughtful involvement in debt markets by Christian consumers, businesses, and finance professionals.

Literature Review

A Christian theology with a Calvinist accent emphasizes that God is sovereign over all of creation and that by way of common grace God is at work in the world in ways beyond just the salvation of those he chooses. This latter emphasis provides the basis for an emerging theology of business and finance. However, to date we do not have a coherent theology of financial risk taking. To develop such a theology, I consider several thought streams. I consider risk in general and then I consider financial risk. Some of this literature is from a Christian perspective and some is not. I also consider the literature on a Christian theology of finance, which is based on a broader theology of creation and culture.

Foundations for Financial Risk: Ideas to Date

Several business scholars who are not writing from an explicitly faith-informed perspective explore risk. Buchanan and Vanberg point out that neoclassical economic thinking assumes that the future is knowable and deterministic. They also condede that there is a growing literature that treats the future as open ended and evolving based on future human actions and thus is unknowable.[2] They argue for a new economic paradigm that appropriately reflects intertemporal human creativity and choice, arguing that markets are best understood as a creative process, as opposed to a discovery process or allocative process. Similarly, Miller outlines three concepts of risk, the third being "opportunity creation" wherein human imagination and creativity make the future indeterminate because we might, or might not, be able to bring into existence what was not there before.[3]

Miller writes, "human creativity makes the future indeterminate.… Within a socioeconomic system, creativity gives rise to risk only part of which is borne by the initiating entrepreneur."[4]

By comparison, there is a range of views among Christians regarding the origin, purpose, and response to risk. On one end of this range is a God-does-not-risk view where an omniscient God knows the future, but humans feel risk because we do not know the future. On the other end of this range is a God-risks view where the future is not knowable even by God.

Many orthodox Protestant confessions take the "God-does-not-risk" view, particularly with respect to human salvation. For example the Canons of Dort state that "all his works are known to God from eternity," including who will receive salvation and who will not.[5] The Heidelberg Catechism Q&A 1 states that nothing can happen to me without it being the will of God. The Westminster Confession of Faith (1647) states in chapter V, section I, "God the great Creator of all things doth uphold, direct, dispose, and govern all creatures, actions, and things, from the greatest even to the least, by His most wise and holy providence, according to His infallible foreknowledge." These confessions imply that God has a plan for his entire creation beyond just the salvation of believers, and he invites us to enter into that plan even without knowing the full extent of his plans. Thus from a human perspective God invites us to take risks, even though there is no risk from God's perspective.

Alternatively, Gregersen provides a different treatment of risk from a Christian perspective and concludes with the God-risks perspective.[6] He contrasts the above no-risk view with the view of a God-who-risks by creating a world endowed with freedom. Gregersen argues for the God-who-risks view as being the most consistent with biblical teaching regarding the relationship between God and man. God loves humans even though it is not assured we will understand and accept his love. God created humans with a free will with not only a capacity for goodness but also with a capacity to turn against God.[7] Gregersen argues that not only is God taking a risk by endowing humans with a free will but also in making a creation that is unfinished. Gregersen argues that the Bible contains a positive view of risk taking, citing the parable of the talents, the calling of the early disciples who took great personal and professional risk to follow Jesus, and the development of the early church. He concludes, "The world is created by a benevolent God in such a manner that it invites a risk-taking attitude and rewards it in the long run."[8]

As a practical application, Gordon Preece looks at what the Bible teaches about business risk.[9] Similar to Gregersen, Preece is writing from a God-risks perspective when he says, "God risks by making a distinct creation and a free humanity to rule it."[10] Preece argues that humans are subcreators made in God's image, stating, "the dominion or cultural mandate unleashes the universal creativity and initiative of every man and woman…. Humans were made to be enterprising, entrepreneurial beings, even if fallen."[11]

Only a few faith-informed scholars have addressed financial risk more specifically. Most authors do not inquire about the nature of risk or where it comes from, instead taking it is a given. Liang is an exception to this and offers an analysis of financial risk from a Christian perspective.[12] He observes that God is faithful and keeps his promises but that "God's promise to deliver often manifests itself in ways that are at odds with the expectations of the faithful, resulting, humanly speaking, in uncertainty and thus, risk."[13] Implicitly, Liang takes the God-does-not-risk view. Liang argues that faith and risk taking are tied together in the Bible, saying, "the stories of faith in the scriptures are largely stories celebrating the rewards of risk bearing."[14] He therefore takes the view that God has a set plan that we do not know and that consequently our plans might not match God's plans, but by faith we can still take risks. When the risk does not turn out as we had hoped, we can have faith that it was God's plan and will be for our good in the long-term. In this framework, Liang supports prudent risk taking.

Three authors writing from a Christian perspective offer insights on financial risk taking but do not seek to develop a cohesive financial risk theology. In an early article, Boersema argues that we should be quite risk averse to be sure we can repay our debt (and thus avoid stealing) and to avoid tinges of gambling.[15] Boersema calls for differentiating among gambling, speculating, and investing, and then to avoid gambling and speculating and reexamine investing. He advocates for more serious Christian thinking on risk and return but stops short of a fuller examination. Tiemstra argues that "taking risks with our money, which is really God's money, is not generally a good thing to do."[16] He also implicitly takes the no-risk view of God in that "in a sinful world, things can and often do go wrong, but the Christian trusts that God will make sure that everything works out for good."[17] Yet Tiemstra says it is acceptable to take some business risk if it is likely that the community as a whole will benefit. Brooks observes that the Bible teaches the certainty of a faithful God and the gospel message and that with this certainty Christians are equipped to "face the uncertainties of life."[18] Brooks uses the parable of the talents to argue that Jesus sanctions risk taking. He concludes that Christians should not be too risk averse and that prudent risk taking is appropriate.

From the above extant literature, we see that God created risk but also that Christians have not connected that to debt markets. The literature leaves open the big debt market questions such as why we have debt markets, where risk comes from, how we approach risk, and how we honor and obey God by way of risky debt markets.

Theological Bases for Financial Risk Taking

In an effort to develop a theology of financial risk taking, with a focus on debt markets, I consider four Christian theological foundations, which are the assumptions for my subsequent propositions and implications.

First, God reveals himself and his will through the Bible and through his creation.[19] Thus, I must consider both biblical teaching and God's created order if I am to understand God's intended role for debt and risk.

Second, all of creation, including finance, is under God's reign, authority, and redemption.[20] Finance is part of God's perfect creation design, although now it is utterly impacted by sin. Creation has been redeemed by Christ's victory over sin and is being transformed to its original intended purpose. This approach has a long Christian tradition that is explained well by Plantinga[21] and Wright.[22] Recently Van Duzer has used this framework to enable a better understanding of God's intended role for business in society.[23] Van Duzer concludes that God created the foundations of business so that we can serve our fellow humans with useful goods and services and meaningful employment. This is all out of obedience to God and to bring him glory. Business enables people to join in Jesus' creation-redeeming work. In a recent article, I have adapted this framework and proposed a theology of finance wherein God created the foundations of finance and enables humans to develop finance as we know it today.[24] God did this to provide finance as one way that we can obey God's imperatives of stewardship, justice, and love.

Third, God's grace includes both salvific grace and common grace. Abraham Kuyper articulated the doctrine of common grace as the "unmerited favor of God, shed upon all people regardless of their spiritual destiny. Indeed, upon more than all people, for it extended through the whole cosmos, just like the reign of God and the work of the Holy Spirit."[25] Similarly, Richard Mouw argues that God's common grace is at work "everywhere" in our culture as a way that God carries out his plans for his creation.[26] Mouw argues that God has multiple purposes in this world: believers' salvation and his purposes for his broader creation, which include the "fruits of humankind's cultural labors."[27] Mouw also argues that the moral acts of the unbelievers are more pleasing to God than their nonperformance would be.[28] God's common grace enables these purposes for his broader creation and can work through Christians who are active in cultural formation and transformation.[29] However, Mouw does not provide specific applications to business or finance.

Fourth, God gives the imperatives of justice and love and the means to obey them and does not give permission to ignore these imperatives in select areas of life such as finance. Nicholas Wolterstorff identifies doing justice and loving our neighbor as two major imperatives contained in the Bible and handed down by Christian teachings over the centuries and develops helpful concepts of justice and love.[30] Wolterstorff's concept of justice is treating persons with due respect for their rights as humans, these rights are based solely on the fact that every human has been given the honor of being loved by God. This God-human relationship is what gives rise to human rights, which in turn forms our concept of justice. Wolterstorff develops a "care" idea of love that he calls care-agapism; that is, seeking to bring about the flourishing of another human as an end in itself and with due respect for that person as a human. His argument is that love as care is the best way to understand biblical love (*agape*), because care incorporates justice into love: "Care includes seeking that the beloved be treated justly. Care is the sort of love that is typical of love for oneself that Jesus attributes to God for us and that Jesus enjoins on us for both God and for our neighbor. Understanding love as care gives us a unified understanding of these four manifestations of love."[31] Important for our thinking here, Wolterstorff's care-agapism includes action that likely involves taking some risk on the part of the lover. Despite trying, one might fail to love another for two reasons: (1) what they thought was best for the other turned out not to be, and (2) they failed in their attempt to bring about the good they intended.[32] Wolterstorff implicitly considers a multiperiod world with uncertainty. Yet he does not explicitly incorporate risk and uncertainty in his analysis.

Propositions for a Theology of Debt and Risk

Building on the above, I propose a theology that will provide a framework for debt and risk decision making. I will do this by developing the following five propositions in this section.

Proposition 1: *God created the risk in debt instruments.* This proposition follows from two points: (1) God created the foundations for finance and for debt instruments, and (2) God created risk. In a recent paper, I developed in detail the first point that is summarized as follows.[33] Finance is that part of human society where borrower and saver resources are shared in a voluntary and mutually beneficial way. God created the foundational elements of finance, including time, our social nature, our heterogeneity, our ability to act as agents, our ability to make and keep promises, our lack of omniscience, our inability to know the future, and our willingness to take risk. From this created foundation by God's grace humans have developed the modern financial institutions of currencies, financial intermediaries, financial instruments, and financial prices or interest rates.[34] God provided the financial realm of creation as one way to obey his biblical imperatives of stewardship, justice, and love.

What does finance have to do with these biblical imperatives? God's stewardship mandate is to develop his creation from a garden to a city by our working of it and caring for it.[35] Allocating resources well over time is an important element of this stewardship. Borrowing and lending enable stewardship by providing resources for stewardly activities such as education, housing, wastewater treatment plants, energy production, and businesses that provide meaningful work and useful goods and services. Borrowing and lending also enable savers to be good stewards in meeting their future needs. Justice can be served by way of borrowing and lending because it is one way to share God's creation resources. Those persons in social structures with limited resources can gain access to needed resources by way of the debt markets. Thus, while human rights can be served in many ways, Wolterstorff's care-agapism formulation of love can be utilized to argue that borrowing and lending are excellent ways to love. Savers can show love by letting a borrower use their resources for a period of time. Borrowers can show love by taking care of those resources and returning them as agreed; hence, debt is one type of human relationship that God provides so we can be good stewards, act justly, and love our neighbor.

Regarding the second point of this proposition, God created risk because from a human perspective the future is uncertain.[36] First, God created a multiperiod world with a future that has not yet occurred. As time unfolds, the physical and biological aspects of God's creation do not occur deterministically or with certainty. For example, plants and animals have uncertain life cycles, weather patterns vary, and water levels rise and fall. Further, God created humans in such a way that our actions can impact future events, including business and finance decisions.[37]

Thus we see that God created not only our ability to enter into debt arrangements but also an uncertain or risky future. Consequently, the risks we see in debt instruments are a direct result of God's creation design.

Proposition 2: *God intends for us to take prudent financial risks in our lending and borrowing.* This proposition follows from two points: (1) God intends for us to take risks by lending and borrowing, and (2) God intends for us to do this prudently. Regarding the first point, God created us to be able to take risks, and the creation mandate (Gen. 1:28–30; 2:15) provides biblical support for taking risks. We are commanded to do something with his creation even though we do not know the future with certainty. Further, Jesus told several parables about doing something with kingdom resources even though the future is uncertain (Matt. 25:14–30; Luke 19:11–27). Borrowing and lending, enabled by God, is one way for us to take risk.

Regarding the second point, the Bible teaches us to be prudent risk takers in our debt relationships.[38] We should not borrow more than we are quite certain we will be able to repay. Debt is a relationship, and borrowers and lenders must treat it as an opportunity for stewardship, justice, and love. Excessive levels of debt are not likely to provide this opportunity. Because God created risk and also created us to make debt promises to each other, each of our debt promises should be sized to reflect the risk inherent in the particular situation.

Proposition 3: *The sins of greed and lying wreck the good in debt.* God created us to live in relationships in a world where we do not know the future. He gave us lending and borrowing as one aspect of our relationships so that we could be good stewards, carry out justice, and love each other. He gives us the capacity to reject his plans and his love, which we do often. Greed and lying are aspects of this rejection that are prominent in debt relationships.[39] Because debt relationships are about allocating or sharing resources, the sin of greed can easily enter into the relationship.[40] Because debt relationships are entered into in a world where we are not omniscient, the temptation to overestimate our ability to repay or to lie to the other party is always present. These two sins contravene stewardship, justice, and love. As stewards, we are mandated to look after God's creation with his interest in mind, which is hard to do if we are greedily thinking only of our own interest. Justice is about making God's resources available to all humans, whereas greed makes us want to keep God's resources for ourselves. If we love our neighbor, we are seeking to bring about their flourishing as an end in itself. Nevertheless, many times in debt relationships we do not seek the flourishing of the other party. When we borrow, we are tempted to overestimate or lie about our ability to repay. When we lend we are tempted to gloss over (i.e., lie about) some key debt provisions as we greedily hope to get the loan fees. When a loan looks like it cannot be repaid, both parties are tempted toward greed and lying, rather than justice and love. If sin were not in our hearts, our debt relationships would be much better at serving God's intended purposes as outlined in his biblical mandates.

Proposition 4: *Common grace is necessary for God's creation design for debt to work in a sinful world.* This proposition includes two ideas: (1) an affirmation of common grace and (2) an understanding of why is it needed for debt relations to operate effectively. Many Christians recognize two aspects of God's gracious love: salvific grace and common grace. God's salvific grace grants us salvation and spurs us to a life of gratitude and obedience to God's will for our lives. God's grace also enables God's purposes for his broader creation and reflects his "deep love for humanity."[41] Ultimately God seeks the flourishing of his entire creation, including all humans, as affirmed in his covenant to Noah after the flood.[42] This latter grace is called common grace because believers share it "in common" with unbelievers. Common grace protects the creation from the impact of sin, allows humans to constructively engage the creation for good, and enables imagining new means for human flourishing. The Bible describes examples of common grace as the rain that falls on the crops of both the believer and unbeliever, and as a restraint of sin in individuals and society.[43]

Why is this needed for saving and borrowing to work as planned by God? Recall that God's purposes for finance are stewardship, justice, and love, which are to be accomplished when savers and borrowers share resources through financial markets. God does not desire this only from those who receive his salvific grace. Thus, we arrive at the key point: God intends borrowing and lending to promote stewardship, justice, and love among all humans, and common grace is necessary for that to occur. Without God's common grace the impact of sin would contravene God's desires in all but debt relationships between those believers in Christ. With common grace, Christians and non-Christians can participate together in the global debt markets for the flourishing of humanity according to God's purposes.

Proposition 5: *Common grace provides protective, constructive, and imaginative elements to debt.* Christian writers have worked to organize our thinking on common grace by identifying some aspects of how common grace occurs. Early Reformed Christian writers identified common grace as serving a protective function: preventing the full impact of sin to wreak havoc on creation.[44] Later writers, in particular Abraham Kuyper, identified common grace as also having a constructive function—enabling all humans to work for good in society according to God's design.[45] More recently, an imaginative function of common grace has been identified that recognizes the possibility for Christians to learn from unbelievers and the possibility for unbelievers through general revelation to recognize and understand some of the moral insights that believers have gained by way of special revelation (e.g., Rom. 2:14–15).[46] We can see these three functions of common grace in borrowing and lending:

1. The *protective function of common grace* in many debt market practices is not explicitly founded on Christian principles and is not promoted or practiced exclusively by Christians. The protective function of common grace limits the damage that greed and lying can have on debt markets. For example, in many countries, consumer protection legislation requires banks to accurately and clearly explain loan provisions to borrowers. Bankruptcy laws and foreclosure laws protect borrowers by requiring lenders to give the borrower some extra time. On the flip side, lenders typically do quite a bit of work determining whether a borrower is likely to be able to repay the loan as planned. Lenders try to estimate the future cash flows of the borrower and size the loan accordingly. Organizations have arisen that track borrowers' records of paying off debts and report this to lenders. Many loans feature collateral to give the lender greater assurance of loan repayment that in turn allows the borrower to be more likely to receive the loan. The above types of debt market practices, by God's common grace, allow humans in a world with both risk and sin to share resources by way of the debt markets in ways that have vestiges of stewardship, justice, and love.
2. The *constructive elements of common grace* also abound in debt markets. The primary constructive element of debt markets is the excellent allocation of resources for purposes that enable human flourishing. Debt markets allow savers to channel some of their resources to borrowers who are buying homes, getting an education, building sewage treatment plants, and building places of employment, to name a few. This is risky, but there are many provisions to manage this risk that allow this constructive function of debt to work. Examples of these provisions include written contracts, proper disclosure of terms, collateral, debt service provisions, tiering of debt, credit ratings, and rescission periods. By God's common grace debt can be constructive even in a fallen risky world.
3. With the *imaginative element of common grace*, debt markets can enable justice and love. Both believers and unbelievers find creative ways to work justice and love by borrowing and lending even though there are risks. For example, the Partners Worldwide Global Fund has made millions of dollars of loans to local lenders in lesser-developed countries that then lend the funds to local

> small businesses that in turn provide meaningful employment and useful goods and services. Partners Worldwide uses secular bank credit underwriting procedures but requires less or no amortization as a way to better serve its customers. Additionally, Partners Worldwide makes these loans only as part of a long-term training, mentoring, and advocacy relationship. Thus, by God's common grace Partners Worldwide staff have learned credit underwriting from unbelievers and the unbelieving program participants have gained some moral insights from Partners Worldwide's amortization and mentoring methods. Even though the future is unknown and the risks are sizable, by God's common grace these types of businesses can obtain financing to enable them to do justice and love. Atlantic Stewardship Bank in New Jersey is another example of imaginative common grace. Atlantic Stewardship Bank is majority owned and managed by Christians with a mission to provide excellent savings and borrowing opportunities for customers, provide meaningful employment, and also provide funds for donation to Christian causes. The owners of Atlantic Stewardship Bank use secular banking practices to bring about human flourishing. Many of the employees and most of the customers are not Christians. We see imaginative common grace at work when Atlantic Stewardship Bank attempts to merge biblical principles with wisdom from secular bankers and also attempts to help unbelievers benefit from moral insights gained from God's special revelation. The leaders at Partners Worldwide and at Atlantic Stewardship Bank are imaginatively working hard at the intersection of salvific grace and common grace.

I have proposed that God enables humans to develop and participate in risky debt markets as one way we can obey his biblical mandates of stewardship, justice, and love. Further, I have proposed that in a sinful world God's common grace is necessary for this to work.

Implications for Theory and Practice

The above propositions lead to implications for further theory formation and for finance practice:

Implication 1: *Taking risks by way of borrowing and lending is not only socially useful but also theologically required.* If one takes seriously the idea that God created risk and wants us to take prudent risk in our borrowing and lending relationships and if one also considers that God provides common grace so debt markets can work as he intends, it follows that our theology requires some of us to be active lenders and borrowers. God provides debt markets as one way to be stewardly, just, and loving. God organized his creation so that those of us with an excess of resources can lend those to others and those of us with good opportunities for resources usage can borrow those resources. If we hold back too much, then we are not following God's plans and designs. God has given us resources and through his common grace has enabled the development of a financial system that allows the sharing of those resources. We borrow and lend according to his will.

Implication 2: *We need to balance risk aversion with stewardship, justice, and love.* Our tendency toward risk aversion comes from God, but he wants us to balance that with a tendency for stewardship, justice, and love. Our God-created risk aversion means that we do not treat borrowing and lending as some sort of gamble or game of chance. In contrast to the recent debt-fueled recession, we must treat borrowing and lending as serious business before God.[47] We shy away from risk unless there are good reasons to take a risk.[48] The key point is that God has given us good reasons to take risks, namely stewardship, justice, and love. Thus, our risk aversion must be balanced with a strong desire to be stewardly, just, and loving. If Atlantic Stewardship Bank is too risk averse and does very little lending, then it will have less opportunity to be stewardly, just, and loving.

Implication 3: *A broken loan does not always mean somebody sinned.* God desires that we enter into relationships by way of debt markets. God created us to live in a world of risk, where the future is unknown. These two aspects of God's creation mean that sometimes there will be stress and strain in our debt relationships. If a loan cannot be repaid as promised, it could be for one of two reasons. First, it could be due to the sins of greed or lying on behalf of either the borrower or lender. Second, it could be that there was no greed or lying but that God's world developed in a way that caused the borrower to be unable to repay the loan. Examples of such events could be a lost job, an incomplete college education, business revenues lower than expected, profitability lower than expected, or an incomplete business sale. Each of these examples is not necessarily a result of sin but could be a result of God's bigger plan for the borrowing individual or business. It is possible that God's bigger plans could result in a specific loan default, wherein a borrower is not able to keep a promise. We do not always know God's plans, but we do know that he is working out his will for good in the long run. We can take prudent risks in the debt markets while trusting that a loving God will watch over us. Gregersen notes that trust is a riskwilling position, with a "virtuous circle … between trust and risk willingness."[49] The implication is that God asks us both to take risks and to trust in his love and goodness when a loan is broken.

Implication 4: *If a loan becomes stressed, we use it as an opportunity to increase our stewardship, justice, and love.* If debt promises are broken, our first position should be to discern how this might be or become part of God's bigger plan. Our second position should be to discern how we may use the situation to increase stewardship, justice, and love. Of course, this is difficult and lenders will tend to enforce the promises made to the fullest extent possible. That might be part of stewardship but might also be greed or laziness. Justice might be best served with a restructured loan that includes some forbearance or forgiveness. Love could be served in the manner in which this is discussed and negotiated, both sides working to promote the flourishing of the other as an end in itself. From the borrower's vantage, if debt promises cannot be kept, it is time to humble oneself and ask forgiveness.[50] By God's common grace, many countries have a bankruptcy code and court that can support loving and just relationships in the face of broken debt promises. This gives the parties a place and framework for justice and love, although it is not commonly viewed or used as such. However, properly implemented, bankruptcy is a place where God's common grace is worked out. The key point here is that contrary to mainstream practice, distressed debt should be a place where stewardship, justice, and love come to the foreground, resting on God's common grace.

Implication 5: *God is involved in the details of debt markets.* In his common grace, God has enabled certain debt market institutions, practices, and people to transform risk for protective, constructive, and imaginative purposes. Practices such as credit underwriting, clear documentation, consumer protection disclosure, bank workout departments, collateral, cash sweep accounts, amortization, and interest rate caps can all be expressions of God's common grace to enable his intentions for debt markets. For example, a Christian working in a bank workout department should approach her or his work as a common grace ministry, imaginatively working with the many others involved to bring about flourishing by God's grace. Our theology does not allow us to take the view that people and practices in the debt markets are not under God's dominion or do not serve a particular purpose in his creation. The idea that debt relationships are "nothing personal, just business" has no place in our thinking. God is active in debt markets and provides his common grace to protect debt markets from the full impact of sin and to allow debt to be used constructively and imaginatively for stewardship, justice, and love.

Implication 6: *We are accountable to God in our saving and borrowing.* When we save resources by way of the financial system, we are accountable to God for that decision. We understand that by way of the financial system our savings will be used by a borrower, and we should consider who that borrower might be. We should think about why God would want this exchange to promote his purposes for us and this world. If we deposit our savings in a bank, we consider the lending programs and policies of that bank because it is our resources that are lent. If we borrow, we likewise should be clear how this is in accord with God's will. We ask how this borrowing will enable God's plans for his creation and if it is in obedience to his biblical imperatives. Too often, we are tempted to disconnect our financing arrangements from our faith unless they have to do with a faith-based organization or our counterparty is a Christian friend or acquaintance. However, common grace theology requires us to consider mainstream borrowing and lending with secular persons and institutions as within God's dominion and according to God's creation design. We should thus pray for and expect God's guidance in our debt relationships and decision making.

Implication 7: *We take prudent financial risks in obedience to God.* If we have resources that we intend to save for the future, we should actively look for ways to risk these resources by lending them in ways that are stewardly, just, and loving. God's design is that we would share these resources with borrowers by way of the financial system, but God also has created us to be prudent risk takers. This presents us with the practical challenge of looking at saving or borrowing opportunities very carefully by using all our skills and knowledge to gauge the risks and the potentials returns. The returns here are not just the return of interest and principal (although these might be included as stewardship) but are the larger returns of stewardship, justice, and love that the debt relationship enables. These are God's returns from debt markets, and he desires for us to take prudent risks to realize these returns. This thinking requires us to adapt new frameworks and paradigms for making savings and borrowing decisions. This practical challenge requires Christians and non-Christians to put their minds together to imagine and implement how this can be done. We can be assured that God's common grace will undergird these efforts.

Implication 8: *We learn from and work with others, including the unbelieving, to find imaginative ways to transform debt for God's purposes.* A key implication of common grace theology is that God enables both the believer and the unbeliever to do some good in his creation.[51] I have also argued that God created and enables finance for some specific good purposes. We should fully expect to learn from and work with non-Christians in finance to develop better ways in which debt can be used for stewardship, justice, and love. God does not give Christians all the ideas and resources for good results. By God's grace we share those in common with non-Christians. Christians should also not shy away from working for a mainstream secular bank in an effort to bring about God's plans for this work. Christians should join with like-minded non-Christians to develop loan programs that enable a more just society. A talented Christian should see as a high calling the opportunity to join the workout department of a secular bank where she or he can show justice and love to the bank's distressed borrowers while also being a good steward of resources. A Christian should be pleased to invest in a secular debt fund that is effective at making loans to disadvantaged borrower groups, perhaps reaching people that a Christian fund would not be able to finance.

Implication 9: *We approach lending by recognizing that God works his grace through many kinds of professionals involved in the process.* The operation of modern debt markets involves countless organizations and professionals. When a loan is originated, accountants, lawyers, underwriters, loan officers, and cash managers are involved. Many times a bank will repackage the loan into a security and resell it as a way to enable savers to apply their resources to the loans. When a loan is securitized in this way, rating agencies, securities firms, trustees, servicers, investors, and more lawyers and accountants get involved. Many of these professionals do not call on Jesus as their Savior. Can God work his common grace through this large number of parties involved in debt markets? Can common grace abound in this modern complex financial system? Of course, based on God's omnipotence, the answer must be yes. God can work his plans for his creation through complex financial systems. However, from a human standpoint debt market complexity seems to make stewardship, justice, and love harder to attain. One person working in the debt markets has limited ability to influence the system according to God's design. Yet common grace theology encourages us to reach out to other professionals in the debt markets, whether believer or unbeliever, with whom we can work to bring about God's plans in a risky world.

Conclusion

I have argued that God created debt relationships as a way to obey his commands of stewardship, justice, and love. God also created risk and wants us to take risk when we see good potential for stewardship, justice, and love. God's common grace is necessary for this to work according to his plans. By God's common grace, the impact of sin on debt markets is mitigated. Debt markets can be stewardly, just, and loving, and we can imaginatively create new ways to take risks in debt markets according to God's design.

Christians are encouraged to enter into borrower and lender relationships with a clear idea of how that relationship can help them obey God. Christians are encouraged to work in debt markets alongside non-Christians or in secular organizations, knowing that by his common grace God intends for this work to enable the flourishing of his creation. Christians are encouraged to join with like-minded non-Christians to fight against lying and greed that subvert the ability of debt markets to enable flourishing.

It is difficult to imagine such a transformation of the global debt markets. Although many details of the debt markets support God's human-flourishing plans, the overall human modus operandi is that debt markets are not about stewardship, justice, and love. Is it realistic to envision that Christians could lead such a global transformation of debt markets mandated by our theology? Humanly speaking, no, but we are reminded that in Jesus Christ "all things in heaven and on earth were created, things visible and invisible, whether thrones or dominions or rulers or powers" (Col. 1:16 NRSV) and that God "reconcile[s] to himself all things, whether things on earth or things in heaven, by making peace through the blood of [Jesus'] cross" (Col. 1:20 NRSV). This grace remains our hope.

Notes

1. Charles Roxburgh, Susan Lund, and John Piotrowski, *Mapping Global Capital Markets 2011* (McKinsey Global Institute, 2011), 3.
2. James M. Buchanan and Viktor J. Vanberg, "The Market as a Creative Process," *Economics and Philosophy* 7 (1991): 167–86.
3. Kent D. Miller, "Risk and Rationality in Entrepreneurial Process," *Strategic Entrepreneurship Journal* 1 (2007): 57–74.
4. Miller, "Risk and Rationality in Entrepreneurial Processes," 65.
5. Canons of Dort, First Main Point, article 6.
6. Niels Henrik Gregersen, "Risk and Religion: Toward a Theology of Risk Taking," *Zygon* 38, no. 2 (June 2003): 355–76.
7. Regarding this point, Gregersen cites Alvin Plantinga, *God, Freedom, and Evil* (Grand Rapids: Eerdmans, 1977).
8. Gregersen, "Risk and Religion," 368.

9. See Gordon Preece, “Business as a Calling and Profession: Towards a Protestant Entrepreneurial Ethic,” in *Christianity and Entrepreneurship: Protestant and Catholic Thoughts*, ed. Samuel Gregg and Gordon Preece (St Leonards, Australia: Centre for Independent Studies, 1999), 1–51.
10. Preece, “Business as a Calling and Profession,” 10.
11. Preece, “Business as a Calling and Profession,” 10–11.
12. Ernest P. Liang, “The Global Financial Crisis: Biblical Perspectives on Corporate Finance,” *Journal of Biblical Integration in Business* 12 (2010): 48–61; Ernest P. Liang, “Modern Finance Through the Eye of Faith: Application of Financial Economics to the Scriptures,” *Christian Business Academy Review* (Spring 2012): 69–76.
13. Liang, “Modern Finance Through the Eye of Faith,” 71.
14. Liang, “The Global Financial Crisis,” 57.
15. John M. Boersema, “Examining a Christian Perspective on Finance,” in *Christianity and Business: A Collection of Essays on Pedagogy and Practice*, ed. Edward J. Trunfio (Wenham, MA: Christian Business Faculty Association, 1991), chap. 8.
16. John P. Tiemstra, “Financial Crisis and the Culture of Risk,” *Perspectives* 24, no. 5 (May 2009): 9.
17. Tiemstra, “Financial Crisis and the Culture of Risk,” 6.
18. Robert Brooks, “Financial Risk: an Alternative Biblical Perspective,” *Journal of Biblical Integration in Business* (Fall 1996): 21.
19. The Belgic Confession beautifully explains this in article 2: “The Means By Which We Know God.” These can be labeled God’s special revelation and God’s general revelation. See Louis Berkhof, *Manual of Christian Doctrine* (Grand Rapids: Eerdmans, 1933), 26–31.
20. This is a Kuyperian or Augustinian approach, as argued in James K. A. Smith, “Reforming Public Theology: Two Kingdoms, or Two Cities?” *Calvin Theological Journal* 47 (2012): 122–37.
21. Cornelius Plantinga, *Engaging God’s World: A Christian Vision of Faith, Learning and Living* (Grand Rapids: Eerdmans, 2002).
22. Christopher J. H. Wright, *The Mission of God’s People* (Grand Rapids: Zondervan, 2010), chap. 2.
23. Jeffrey B. Van Duzer, *Why Business Matters to God (And What Still Needs to Be Fixed)* (Downers Grove: IVP Academic, 2010).

24. Leonard D. Van Drunen, "Finance Overview," Theology of Work Project, http://www.theologyofwork.org/key-topics/finance/.

25. James D. Bratt, *Abraham Kuyper: Modern Calvinist, Christian Democrat* (Grand Rapids: Eerdmans, 2013), 198.

26. Richard J. Mouw, *He Shines in All That's Fair: Culture and Common Grace* (Grand Rapids: Eerdmans, 2001), 48.

27. Mouw, *He Shines in All That's Fair*, 50.

28. Mouw, *He Shines in All That's Fair*, 39.

29. Mouw, *He Shines in All That's Fair*, 81.

30. Nichols Wolterstorff, *Justice in Love* (Grand Rapids: Eerdmans, 2011), vii.

31. Wolterstorff, *Justice in Love*, 109.

32. Wolterstorff, *Justice in Love*, 103.

33. Van Drunen, "Finance Overview."

34. This is similar to God's creative hand in music or food. God created sound waves, ears, rhythm, chords, materials for instruments, gifted song writers and singers. On this foundation, God enables humans to make delightful and meaningful music. Similarly, God created food ingredients, fire, chemistry, appetites, taste buds, and talented growers and cooks. On this foundation, God enables humans to make nutritious and delicious food. We thank God for music and food, understanding that God did not actually compose the song or cook the food but that God created the foundations for these things.

35. Richard J. Mouw, *When the Kings Come Marching in: Isaiah and the New Jerusalem* (Grand Rapids: Eerdmans, 2002), 11.

36. As we see above, some authors take a God-risks view while other authors take a God-does-not-risk view. For our purposes, either view will suffice since they both feature risk from human perspective.

37. Miller, "Risk and Rationality in Entrepreneurial Process"; Buchanan and Vanberg, "The Market as a Creative Process."

38. Proverbs 11:15; 22:26–27; Boersema, "Examining a Christian Perspective on Finance"; Brooks, "Financial Risk: An Alternative Biblical Perspective"; Liang, "The Global Financial Crisis: Biblical Perspectives on Corporate Finance"; and Tiemstra, "Financial Crisis and the Culture of Risk."

39. Robert Shiller, "A Failure to Control Animal Spirits," *Financial Times*, May 12, 2009, 14–16; Joseph E. Stiglitz, "Who Do These Bankers Think They Are?" *Harvard Business Review* (March 2010), 36; John Terrill, "The Moral Imperative of

Investment Banking," *Comment*, February 26, 2010, http://www.cardus.ca/comment/article/1523/the-moral-imperative-of-investment-banking/; Gerald F. Davis, "The Rise and Fall of Finance and the End of the Society of Organizations," *Academy of Management Perspectives* 23, no. 3 (August 2009): 27–44; Brian Rosner, "Greed as a False Religion," *Ethics in Brief* 12, no. 5 (Spring 2008), http://klice.co.uk/uploads/Ethics%20in%20Brief/Rosner%20v12.5%20pub.pdf.

40. Abraham Kuyper laments Judas, the disciple of Jesus who carried the purse. Kuyper says,

> To be treasurer is always dangerous. From money there proceeds an ignoble influence on our heart; hence it is unhealthy for a people when banking techniques and the stock exchange become dominant; hence it is precisely the man of high finance for whom the chance to learn to bow humbly before his God is so remote. Bilderdijk realized this when he wrote Da Costa: "The fact that those who are by profession merchants and gamblers have no Christianity is self-explanatory."

    See Abraham Kuyper, *The Problem of Poverty*, ed. James W. Skillen (Grand Rapids: Baker, 1991), 87n4.

41. Mouw, *He Shines in All That's Fair*, 101.

42. Abraham Kuyper, *Common Grace*, vol. 1, pt. 1, trans. Nelson D. Kloosterman and Ed M. van der Maas, ed. Jordan J. Ballor and Stephen J. Grabill (Grand Rapids: CLP Academic, 2013) for a detailed exposition of how the Noahic covenant provides the foundation for our understanding of common grace.

43. Psalm 145:9; Matthew 5:45; Luke 6:35; Acts 14:17; Acts 2:14–15; Genesis 20:6; Exodus 34:24; and 1 Samuel 25.

44. Louis Berkhof, *A Summary of Christian Doctrine* (Edinburgh: Banner of Truth Trust, 2005).

45. Bratt, *Abraham Kuyper*, 197–201.

46. This three-function typology of common grace was suggested by Jason Stansbury in conversation.

47. See Tiemstra, "Financial Crisis and the Culture of Risk," for a good exposition on this.

48. See Heidelberg Catechism Q&A 105, which states, "I am not to harm or recklessly endanger myself either."

49. Gregersen, "Risk and Religion," 357.

50. For more on this, see Richard Chewning, "Hermeneutics and Biblical Ethics: An Illustration—God's Immutability and Human Integrity," *Journal of Biblical Integration in Business* (Fall 2000): 49–68.

51. Mouw, *He Shines in All That's Fair*, 37–39.