

## Rabbi's Reflections: **On More Madoff Morals and Managing the Economy**

I write this shortly before one of the great swindlers is sentenced, and while we now can say that our economy and country will not reach the status of the Great Depression. We still debate the role of government in managing the economy. For a while yet we will discuss the role of deficit spending by the government, and whether states, which cannot deficit spend, should be cutting expenditures (and which ones) or taxing (what and whom), or both, and which options hurt or help the economy. Like the debate over the Supreme Court, we primarily argue based on ideology. In the Supreme Court it is over whether they should be "originalist" or not (sorry, but the other side is still trying to brand itself, so I do not have a name). In the economy, it is over whether our economic policy should be supply-side, Keynesian, or monetarist. Some wish Madoff to be sentenced to life, others that it should not be for more than twelve years or it would be a life sentence. Is his sentence revenge, punishment, deterrence? One thing that we lose in all this discussion, is the role of values and ideas, not just theories and outcomes. Our view of community and individual play a major role in this discussion.

Historian Jonathan D Sarna makes some interesting observations on some of these larger issues. He notes that during the Great Depression, Jews, like much of the US citizenry, turned inward, so we paid little attention to what was happening in the rest of the world, e.g. Germany. We also spent less on Jewish education, and this generation never made up what it lost. Yet simultaneously, Jews relied even more on each other, and our faith and kinship helped us survive. As New Deal programs and economics moved the US towards the five-day work week and centralized government, Jewish organizations also became more progressive and centralized. With Ronald Reagan's presidency, decentralized government and trickle-down theories held sway, and Jews too decentralized and relied less on the United Jewish Appeal model and moved towards foundations running things more efficiently. Indeed, as the US grew more wealthy, so too did Jews. As venture-capitalism took over building wealth, Jews started applying the same ideas to our own non-profits. This all came to a head with Bernie Madoff's guaranteed 10% returns (he is both symbol and symptom but not cause).

This explains today's debates. If we wish to be charitable, Democrats and Republicans argue over these larger issues and not how to remain in power. California is trying to solve its budget deficit, NY debates relying on market taxes or switching to other taxes or cutting spending, and so on in every state (think Indiana and Michigan trying to decide between cutting more from education, which provides people with skills to find new jobs, or police and prisons, since we have an obligation to keep citizens safe; North Dakota is an exception). A similar debate transpires in the Jewish world. Even though Madoff hurt Jewish organizations, we actually would be in similar trouble without him. Except for the demise of CAJE (the Coalition for the Advancement of Jewish education, which began as counter-cultural and became the mainstream), we have not decided how to cut a third from our communal budgets. Jewish organizations cannot tax, so we have no extra revenue that way. Sarna notes that the Orthodox groups may have been hardest hit both because of their higher concentration in financial jobs and as Madoff investors, and because they consume the highest level of Jewish funds (schools and

synagogues). He figures that more places will close, more will merge, even with non-Jewish institutions (e.g. JCC with YMCA). He hopes that we again will raise funds from small donors (which candidates Edwards and Obama proved successful), and rely on sweat equity (especially by the young who can contribute time more readily than money). He thinks we will see more centralization (e.g. the Reform Movement), a communal turn inward (e.g. away from Israel and relying on CNN for news on Israel). *Aliyah* to Israel may pick up as happened in the past since our lower material life stops being an impediment to moving there as the material gap with Israel shrinks.

One final hope is a call for higher ethical standards and greater transparency. Debates over transparency affected B'nai Zion (a Zionist organization), JNF, some federations and other institutions. A few years ago, scandals hit various Orthodox organizations, so Rabbi Moshe Tendler spoke against the lack of institutional ethics in the name of his father-in-law, Rabbi Moshe Feinstein. Among several points, Rabbi Tendler remarked that his father-in-law never took a charitable tax deduction lest the IRS later decide that the charitable group no longer qualified, and his deduction become a *hillul ha-shem* (based on Leviticus 22:32, our negative behavior desecrates God's name because we expect higher standards from religious people and their poor behavior gives a false impression of Jewish morality and faith). I am not saying we should be that strict, but we have lost the concept that our behavior reflects our integrity, and like it or not, people generalize from one Jew's behavior to all Jews. Funny how we are proud to see Jews on the Nobel Prize list, but we do not want to acknowledge them when they are on the worst slumlord list, though we still cringe when we see a Jewish name on it.

Our behavior, and many of these organizations, operate on the premise of the dignity of all human beings because God created us, that we are responsible for our "brother," contra Cain, that we must protect the powerless, "the stranger, the orphan, and the widow" because we were strangers in a foreign land. We are responsible for one another (*Shavuot* 39a). At the root is the assumption of community, that we are responsible for and to it, and it to us, and with it come obligations. Indeed, tradition (*Baba Batra* 8a) decides that living in a city for thirty days obligates one to give to the soup kitchen, three months to the *tzedaqah* ("charity") box, six months to the clothing fund, nine months to the burial fund, and twelve months to the repair of the town walls. Judaism holds that precisely when times are hard one should give. Even the poor who live on charity must give charity (*Gittin* 7b). This keeps us from self-pity, reminds us that others are worse off than we, so anyone can help. Why? Because charity is equal in importance to all the other commandments combined (*Baba Batra* 9a). However we decide what to do, we should do so on the basis of our morals and values.

----- Rabbi Michael Rascoe