

## Episode 124 The Economics of the Parables with Fr. Robert Sirico

**Patti Brennan:** Hi, everyone. Welcome to The Patti Brennan Show. Whether you've \$20 or \$20 million, this show is for those of you who want to protect, grow, and use your assets to live your very best lives.

OK, everybody, I have to confess. We have been doing a lot of podcasts this week. This is the one podcast I am most excited about. The reason is, joining us today is Father Robert Sirico.

He has written a book called "The Economics of the Parables," and I must tell you all that I literally couldn't put this book down. Now it sounds kind of weird. Yes, I am kind of nerding out on all of you but I found this book to be so enlightening, and so... encouraging.

What's wild about it is, what Father has done is he's taken these things called the parables, which as we all know are basically the stories that Jesus told 2,000 years ago.

He writes in the introduction and I'm going to read some of this to you just to tell you how amazing this book is. What he writes in the intro is that for these stories to demonstrate resiliency over 2,000 years is really an amazing...I don't know what the word is. It's just amazing to me.

What he writes is, one of the reasons the parables remain so compelling is that there are certain fundamental truths about the economic dimension of life that remain unchanged, even given the changes in technology, demographics, etc.

Think about it, guys. The richest people in Babylon, the richest people in Jerusalem didn't have a fraction of the standard of living that you and I enjoy today. Yet, these parables, especially as they are explained by Father, still resonate with all of us.

Without further delay, because I really want you to hear from Father Sirico, and not me, let me officially welcome Father Robert Sirico. Thank you so much for joining our show.

**Father Robert Sirico:** Patti, you've embarrassed me with your flattering. Thank you so much. I'm glad you're enjoying the book.

**Patti:** Well, you know what? You are at your home, and you're where you are. I'm on video. What you don't see that the viewers can see is I have written and highlighted all throughout this book. I've got stars. Even one of the things in one of the parables, I wrote the words ha-ha, because you made a joke and I thought it was hilarious.

It was so well written. By the way, when we get off, I will tell you what that line was because, again, I found it to be so relatable.

**Father Sirico:** I'd love to...

**Patti:** I'm sorry, I didn't mean to interrupt you, but I think for everybody who is watching, everyone who is listening, you might be wondering. What is Patti Brennan doing having a podcast with a catholic priest?

What I found in the book and what Father wrote in the introduction is that this book's messaging cuts across everyone. It cuts across all lives, in all religions, because it's about living our best lives and what the stories were intended to teach us.

What Father has pulled out of these stories is the economic dimension. For example, I am not a Bible reader. I am going to come clean especially since I've got a catholic priest on the podcast here. I don't read the Bible and I don't necessarily understand the way things are phrased in the Bible.

When I was reading this book and reading the interpretation of the stories, I got so much more out of it, and I learned. Father, maybe you can comment on this, but I thought that when you think about Jesus and you think about the Bible, it's a closeted scripture on socialism.

That we should treat everybody equally, the same. Yet, when I was reading it and reading your commentary, that's not necessarily the case. Tell us more about that.

**Father Sirico:** Well, of course, we don't want to treat everybody the same because what we have to do is love everybody. Some people require more love than others or require more love at one time than at other times.

We know we must treat and recognize the uniqueness of every person. The uniqueness of every person tells us that people are not equal in the sense that they are not the same. We must regard their dignity equally, but that's different than the outcomes. That's different than the money.

The reason economics plays a backdrop to the parables of Jesus is because Jesus is talking about human life. Economics is simply human action. It's human beings evaluating the relative value of the thing that's in front of them.

How is this going to work for my family? What does my family need? What do I need at this moment? Then the other side of it is how rare, how scarce is this? That's really what economics is. It's how we use scarce resources. That includes our time as well. All of this plays a part of what Jesus is doing and why those parables are so enduring.

**Patti:** It's powerful because in another statement you said wealth is not given, it must be created. There are more successful and less successful ways of achieving that.

What's happened over these 2,000 years is that there's just been more and more wealth created. To your prior point in the book, one of the parables is about the talent. I thought it was so fascinating how you recognize the differences in the three servants.

There's this one, and not to take away from your book, but it's basically what I got from it was, you've got this master and he's got these three servants and he's giving them talents – which is what I read to be money.

**Father Sirico:** The talent was a monetary unit in the ancient world. We only derived the word talent today from that use of the word. The Bible's informed our language as well.

**Patti:** To your point earlier about this is not about socialism, in that parable, the master didn't give all three servants the same amount of talent. He gave one servant, five, another servant, two, and the third servant, one, recognizing that each one has their own degree of talent, if you will. They were to go off and do with those talents what they could.

**Father Sirico:** Right. At the beginning of the parable, it describes the master as entrusting these talents with these three men, each according to their ability, which tells you that their

ability was diverse. He wasn't interested in the ultimate, how much did you make for me, but how faithful are you going to be to what you've been entrusted with according to what you can do?

There's the master dealing very uniquely with each one of these unique men.

**Patti:** Since we're on this particular parable, why don't you give us the punchline? What do we learn from this parable?

**Father Sirico:** What we learned from the parable is, well, of course, the first two double what the masters entrusted them with. However, they double it, they double it.

The third one is the instructive one. He's the one who, by the way, doesn't diminish the one talent that he's been given. He doesn't lose it. He doesn't squander it. He hides it. When the master comes, he gives him back the one talent that he'd been entrusted with.

Here's the really revealing part of this. It's the perception on the part of that servant as to who his master was. He says to the master, "I knew that you are a hard man..." different translations translated differently. "You are a hard man, exacting man. Gathering where you have not scattered." In other words, you're reaping a harvest from something you didn't plant.

What he says, first of all, is he assumes that the master is hard and that he's an exploiter. That he doesn't get things from an investment, he gathers from where he has not scattered, where he is not planted. He says, "I was fearful, so I hid your talent."

These two characteristics of the man, misrepresenting, misperceiving the master, and fear. Fear is what paralyzes people in a market. In a market, entrepreneurs, they have to believe in their product. They have to believe in their talents. This is the history of business. People will hock their houses.

They'll borrow from their parents and grandparents and friends and put money on their credit card because they have an idea that they are sure is going to work. This man represents the opposite of that. He accuses the master in the same way really that the system of socialism -- Marxism -- tells that entrepreneurs, capitalists if you will, are exploiters.

That's exactly the mentality of this servant who is unproductive, and he gets his comeuppance for it at the end.

**Patti:** It's just so fascinating. All of what you just said is so fascinating and resonates with me. For whatever it's worth, here I am a former ICU nurse. What in the world am I doing being a CEO of one of the largest financial firms in the country? It's so odd in a way when I think about it. Ed and I did hock our home.

We did run up credit cards. I've told that story in prior podcasts, and we were scared. I was scared. I hoped and I prayed and I thought, "OK, I'm going to work my tail off until I figure this out." Here we are today. I think it's just so interesting to me how 2,000 years ago, once again, the story was told, and it still applies today.

**Father Sirico:** Right.

**Patti:** The other one that I thought was really neat is the one on stewardship lessons in stewardship. You're in a trust business. I'm in a trust business. You wrote trust. The basis of faithfulness is the glue of all positive relationships, including commercial life. It's the trust that others will carry out their end of the bargain.

You go on to talk about the faithful steward in Matthew and Luke fulfils the trust of his benefactor. He went out and he was a good steward, even though -- I thought this was pretty cool -- he doesn't know the date when his master is going to return. The steward feels a sense of responsibility, whether he is being observed or not.

That's powerful to me because there's a saying in business, you get what you inspect, and what you inspect gets improved. I do agree with that to a certain extent. At the same point, I don't care who's looking, I'm still going to do this stuff. Does that make sense?

**Father Sirico:** Right. Isn't that exactly the lesson we want to instill in every child in their formation? Is that your moral responsibilities do not depend on whether you're being observed or not but on the truth of those responsibilities.

The man of integrity -- somebody once said -- is the person who acts the same, whether he's being observed or not. This applies in grand form to people who are granted responsibilities, especially managers of companies or let's say it's just the manager of your McDonald's. You own the McDonald's, but you hire a manager to run it.

If your manager doesn't take the responsibility to lock up on time or open on time or have the quality goods that are fresh and serves with a smile, that kind of thing, your business is going to go down. Doesn't matter how much you've invested in it. The manager has a responsibility and has to have this sense of ownership.

That's what stewardship is. It's ownership in place of the owner. That's what we all are because we're all been entrusted with things that we have to do. If we don't have that moral core to our enterprise and our enterprise is going to fail.

**Patti:** I love the way that you apply that even to big businesses, major corporations, publicly-listed companies. That to me was a perspective that I had never heard before. It is so true, the CEO of these publicly-traded companies are stewards of shareholder capital.

They have a responsibility to the shareholders to manage that company, deliver the products, the service in a timely manner so that the end consumer, the customer is well served.

**Father Sirico:** Yes, and the investor.

**Patti:** Right.

**Father Sirico:** The people trusted their life savings to you.

**Patti:** Exactly. It's interesting. As much as people in the industry want to complain about the regulatory process. I will say that some aspects of regulation are burdensome. They're probably overkill, etc. At the same point, there's a reason that they're there. It is to protect that shareholder capital and to make sure that these leaders in these companies are good stewards of shareholder wealth.

**Father Sirico:** Exactly. All those regulations would be less necessary if people had a greater moral sense, a greater sense of ownership of what they're being entrusted to do. That's why many corporations will try and have their managers invested in the company so that the success of the company becomes their own success.

It'd be great if people just had that moral responsibility on their own.

**Patti:** That is really a good point because a lot of those companies do actually require that those managers have a certain percentage of their net worth in that same company.

**Father Sirico:** Right.

**Patti:** Fascinating. Even before the Enron issue, way back when, even it used to be that 401(k) matching contributions could be in that employer stock. When employees got their 401(k) matches, it was in Enron stock. It was a good idea because every employee was, again, a shareholder and they had ownership in that corporation.

The problem is while they had ownership, they were not empowered. They didn't have control and the people that did obviously engaged in fraud.

What bums me out, to use a technical word, is that those lessons and those things do tend to repeat themselves. We're just coming off of FDX and what is happening to so many people who trusted their assets with that brokerage firm. They've lost everything because their money was being taken out of accounts and put somewhere else, never to be seen again.

It is kind of interesting. That's, again, why I think your book is so powerful because you're reminding us of these lessons that these stories that were told 2,000 years ago, and they still apply today. Stewardship and commerce. In another one of the parables, you talk about in "The Hidden Treasure," this idea of market exchanges and valuations.

If I'm going to the food store to buy a gallon of milk, I value that milk more than I do the money that I'm paying for it. It's just commerce.

It's really about valuation and making sure that things are mutually beneficial, because that company, whoever it is, whether it's the food store or the underlying manufacturer, for them to be good stewards, they have to retain a profit so that they can continue to pay their employees and continue to produce milk for other people.

The way that you frame things here in the book, really makes it so simple, which is what I think was intended when they were told 2,000 years ago.

**Father Sirico:** Yes, of course. Because Jesus was not an economist. He was not looking at this thing in what we call today an economic frame of reference. What He was an expert in was humanities. He knew the human heart. He knew how humans interact with one another, and that's what economics is.

I want to emphasize that again because a lot of people think economics is just equations and studies in abstraction.

It's fundamentally concrete illustration you used about the milk. I prefer to have the gallon of milk than the money it cost to buy it because I can't feed my baby the money. I have to

feed the baby the milk. Jesus knew this about human life and understood that there was an economic dimension even if it was called economics at that time.

**Patti:** Economics, to your point, a lot of people think it's all about the math, it's all about the formulas. It's really the study of what people do. Macro is big governments and on a big-picture level. Micro is what you and I do on a day-to-day basis and pulling all of that information together to see what trends are occurring.

Are we headed for a recession? Are we not? What's going to happen in the future, etc. Nobody really knows. I often tell people, especially when it comes to their day-to-day thoughts or worries about their money, their portfolio. They get surprised when I say this, but you've probably known this also, Father, there is very little correlation between the economy and markets.

A lot of people think they are one in the same, they are not. This year, here we are in January of 2023, is a perfect example of that. Everybody is expecting that we're going to be in a recession during the summer, and yet the market's going nuts.

It is the study of human behavior. For example, to take that one step further, a recession is when we all get afraid. We're all pulling back. We are a consumer-based economy and we're worried. Therefore, we're not going to spend our money and as a result there is a domino effect that can occur and results in a recession.

Doesn't have anything to do with the market per se. The market's the leading indicator. It's trying to guess what's going to happen in the economy. What I've learned from your book is that, again, valuations, how we look at things.

Here's a question just off the top of my head.

**Father Sirico:** Sure.

**Patti:** If you were to look and I cannot remember how many parables there are in your book...

**Father Sirico:** 13.

**Patti:** 13 parables. Fantastic. Thank you for that.

By the way, as a sidebar, I've read 10 of them. I'm kind of skipping around. What I've enjoyed is, one night I'll just take one of them. Take half an hour. Read it. Read your passage and then I go on.

What I haven't done is to read your afterward. Once I get through everything, I'll be really interested to hear and read what you have to say when it's all said and done.

**Father Sirico:** The afterward is a better look at the New Testament as a whole and the factors of wealth, profit and poverty, and all of that in a broader sense of just the parables.

**Patti:** I'm just kind of curious. This is a different question to what I was about to ask. How did you get involved in this? What was it that made you think about the economic dimension of the parables?

**Father Sirico:** The work I've done with the Acton Institute, which I founded in 1990, brought me into the whole world of economy. I try and help people think about the

transcended dimensions and the physical, earthly dimensions of life. As a priest, obviously, I preach on the parables regularly, and that economic part of my knowledge I would apply or I see at least in the parables.

I have been really thinking about this book for many years, but just never had the time to sit down and put it all together until COVID came and then I did. I began flushing out all my homily notes and commentaries that I had on it and that's how this book was born.

**Patti:** It's amazing and I probably should have introduced you by saying you've written several other books. The thing that you said to me before we got on live was that this one spoke to you. This one just kind of flowed.

Do I have that right? Although I will tell you writing a book there's not a lot of flow and it typically goes on because it's hard to do that. It's hard to get it all in. You've done it so nicely and succinctly. The actual reading is about 175 pages. It's just a really easy read packed with lots of lessons.

**Father Sirico:** Well, the story is so easy, and the stories as you say, you can pick them independently from one another because it's not like there's a cliff at the end of each chapter. [laughs] It's an easy read and I have to say it was tough. It's always tough to sit down and put yourself in front of the computer and write, but I found it a very satisfying experience.

I felt enriched being able to spend time with the scriptures and all the wonderful commentaries that's in it. If you look at it, it spans a lot of different sources that I'm drawing from as well.

**Patti:** Oh yeah. Your references and footnotes are 10 pages long. I appreciate that you gave as much credit to those that have taught you to pull this wisdom together. If I were to ask you, Father, of all those 13 parables, do you have a favorite? If so, which one would it be and why?

**Father Sirico:** I do have a favorite. Of course, it's always a dangerous question. It's like asking a dad who's your favorite kid. The one that touches me deeply is the shortest one. I think it's a sentence. It's the pearl of great price it's called. I think everybody knows the story of the man who takes place in a market.

The man is looking and sees this pearl that's being sold, and he goes back and sells everything he has in order to buy that pearl of great price. I think there are two reasons. The reason that touches me personally is because in my own life, I had to make a decision at some point about redirecting my life.

The thing that did it was that I found something of greater value than I've ever had. Of course, that's my vocation as a priest but what intrigues me about this from an economic point of view is that it requires knowledge of pearls on the part of the man who sees the value in the pearls.

Perhaps manufactured as they are today. In the ancient world, they were discovered in nature but this takes place in a market. The other thing about it is that a pearl is a luxury good. Isn't it interesting that Jesus is using a luxury good to teach us about heaven? People decry luxury goods and say, "Well, they are worthless as a parcel."

What can you do with a pearl? Yet, Jesus says "The king God is like a pearl." There's a story I include in the book. To impress Mark Antony, Cleopatra took a very valuable pearl which was worth I think millions in that time, and dropped it in a glass of vinegar. It dissolved it and then she drank the vinegar. [laughs]

**Patti:** I read that story. I had to read it twice. I'm like, "Ew." It's Cleopatra.

**Father Sirico:** It's the "Ew" factor, but there's also the extravagance of it. She wants to show him what she can control, what she can do. My purpose in including that was to underscore that it was a luxury good that Jesus is employing.

I found one day -- it wasn't one day, it was a whole process for me -- that the most important thing in my life was something that I would surrender everything for.

Somebody once said that if you don't have anything in your life you're worth dying for, then you really have nothing to live for. On a smaller level, that's the market, valuing things in the market, being able to recognize that this guy knew the market in pearls well enough to know that this was of great value to him.

**Patti:** It's fascinating, and I love that story also. I don't know, as many people that would give up everything for their vocation as you have, it takes great sacrifice. It is the ultimate. It's what it's all about. We're all here to do something. What I hope is that whatever I do on a day-to-day basis is what I'm supposed to do.

We continue to improve and add value to another person's life. It's what you said in the beginning, Father. It's all about loving everybody, no matter what. I'm reminded of the John Ruskin quote. It sits in my desk, smack in front of my phone. John Ruskin once said, "When love and skill come together, expect a masterpiece."

**Father Sirico:** It's true. Let me just be honest with you. You describe it as a sacrifice, a certain sacrifice. Of course, it is. You're married?

**Patti:** Yes. I have four kids, too.

**Father Sirico:** You think about all the boyfriends you could have married?

**Patti:** Not.

**Father Sirico:** You don't?

**Patti:** No. That's an interesting question.

**Father Sirico:** You sacrifice them all, didn't you?

**Patti:** Yup.

**Father Sirico:** I heard somebody say once, a preacher, he said, "You can have 1,000 options, but only one vocation." You're willing to surrender all those options, all those potentialities for one reality. I guess there is sacrifice. Boy, that's not what I think about. I think about what I have.

**Patti:** True, true, true. You wrote it somewhere else. "A Bird in The Hand", right?

**Father Sirico:** Yes, exactly. That's exactly right.



**Patti:** Fantastic. Father, I can't thank you enough. We could go on and on and go through each parable and maybe we'll get you back on and we can go through a few more of them. I think that every page has something. If you could see my book, it's a mess. It really is. You put your heart and soul into it, and it's a great way to live a life. Thank you so much, Father.

**Father Sirico:** Thank you. Delighted to be with you, Patti. God bless you and all your listeners.

**Patti:** Thank you so much and thanks to all of you for taking the time to watch and listen to Father Sirico and I. I hope you got as much out of it as I did. There is such wealth of wisdom in the pages that he has written. I would encourage all of you to go out and get this book.

Just so that you know, when we were talking, I said, "Father, how can I help you? What can I do for you?" He's like, "This is fantastic. Let's just talk about the stories." I will tell you that I've bought a bunch of books. They're all gone. I'm going to go out and get a whole bunch more. There's information here whether people are open to it.

That's one of the parables that you write about. It's that receptiveness. Sometimes people just have to be ready and that's totally cool. Whenever they are, that's fine. I thank you for your time. I thank all of you for your time. This is a little bit different of a podcast from a financial planner. I hope you got as much out of it as I did.

Father, thank you again for your time as well and for everything that you do for the people that you touch.

**Father Sirico:** Thank you so much.

**Patti:** All right, if you have any questions, please go to our website at [keyfinancialinc.com](http://keyfinancialinc.com). If you have any questions for me or for Father, if you'd like to learn more, let us know. That's why we do these podcasts. We're here for you. We want to add value to your lives. If you have any questions that you'd like me to cover, let me know.

Because if you have the question, then chances are there's 4,000 other people who are thinking the same thing. Feel free, go to the website, let us know what you think. Most of all, thank you so much for making us a part of your day. Take care.