



Faith and Finance: The Jewish Perspective

Exploring the Connection
Between Judaism and Financial
History

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Finance in Judaism

Financial principles can be traced back to Torah laws and Jewish participation in finance due to historical and societal circumstances.

Prohibition of Interest (Usury): In **Exodus 22:25**, Jews are prohibited from charging interest (usury) to fellow Jews. This led to the development of ethical finance and alternative methods for transactions and loans within the Jewish community. This idea extends to the creation of charity funds (Gemach) where interest-free loans are provided to those in need.

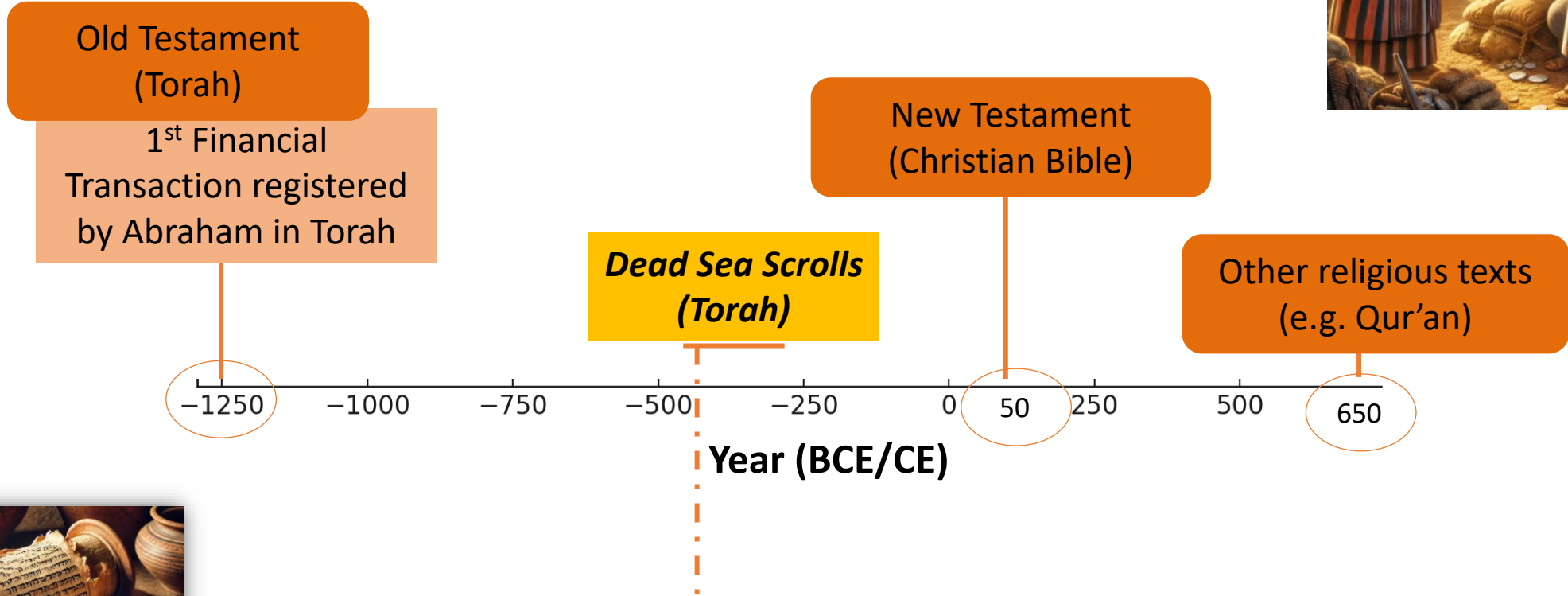


Judaism has a long-standing relationship with finance, stemming from religious and practical aspects of Jewish life.

Due to restrictions in medieval Europe, where Jews were often forbidden from owning land or engaging in many professions, they turned to fields such as **moneylending** and **banking** - one of the few areas open to them. Christian laws at the time forbade Christians from charging interest, so Jews often filled this necessary role in medieval economies. While this often made them targets of suspicion and hostility, it also allowed them to contribute significantly to the development of finance in Europe.

In the 14th century, Jewish moneylenders provided essential loans to kings and merchants across Europe. This established a foundation for modern banking and contributed to Jews being associated with financial services throughout history.

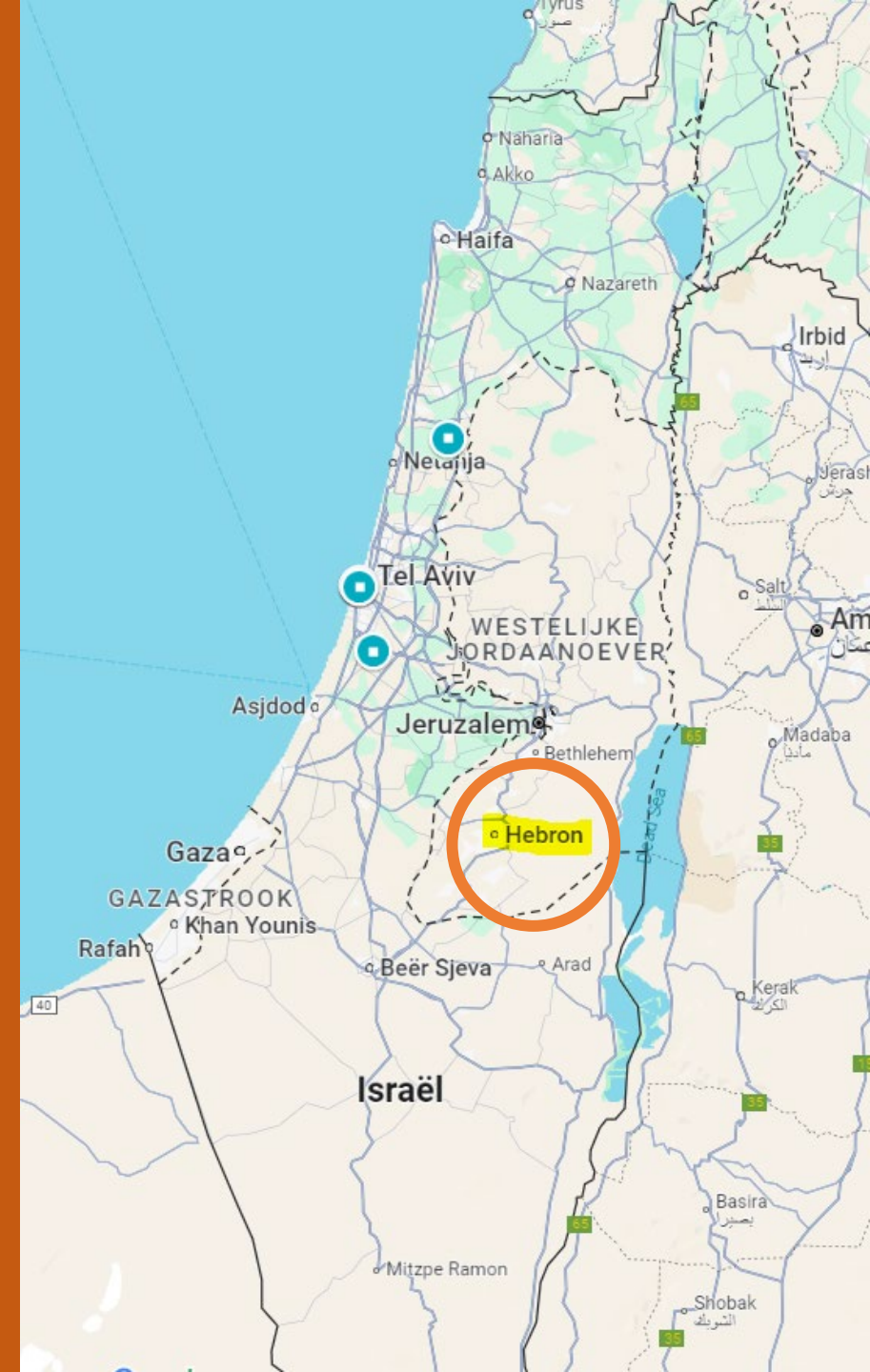
Timeline of texts



The **Dead Sea Scrolls**, discovered in the mid-20th century, include portions of the Torah. These date back to around the **3rd century BCE to the 1st century CE**. While they are not complete Torah scrolls, they represent the oldest fragments of Torah texts.

1st Financial Transaction registered

- **Genesis 23:** Abraham purchases the Cave of Machpelah (Hebron) to bury Sarah for 400 shekels of silver, **although it was free.**
- **Significance:** The first recorded purchase of land in the Torah, highlighting the value of legal and transparent financial transactions.



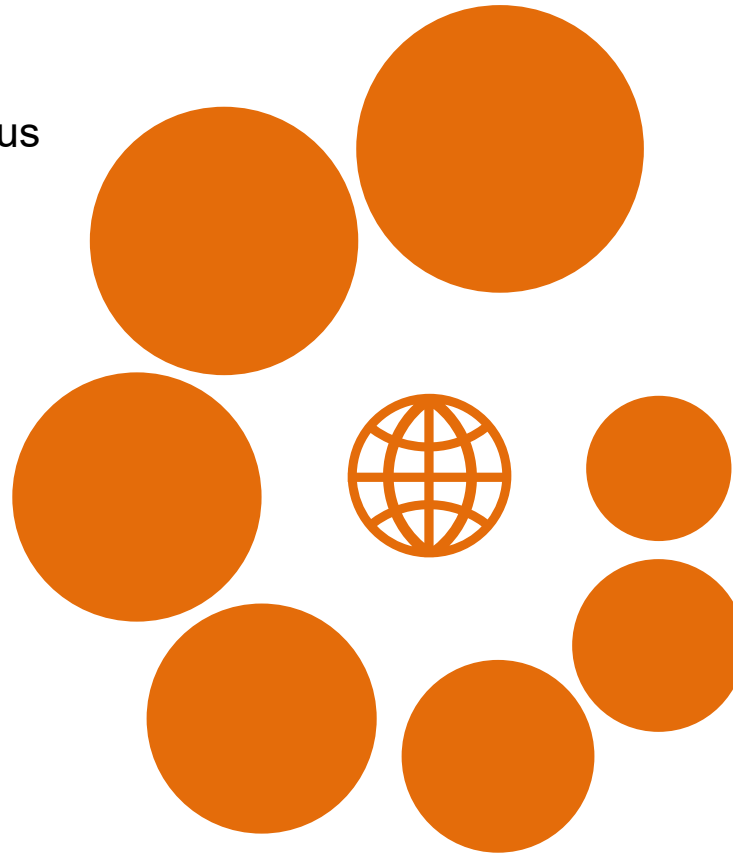
Torah Teachings on Finance

1. Avoiding Usury (Ribbit)

One of the most significant religious concerns in Jewish banking is the prohibition against **charging or paying interest** (ribbit) on loans between Jews, based on biblical commandments (Exodus 22:25, Leviticus 25:36-37, and Deuteronomy 23:20-21).

2. Shabbat and Holidays

In religious communities, banking services must accommodate the observance of **Shabbat** and Jewish holidays, during which work is prohibited, including financial transactions. This impacts the operations of banks in religious areas.



3. Tzedakah (Charity) and Gemach (Free Loan Funds)

Charitable giving and interest-free lending play a significant role in the religious banking and financial systems in Israel.

4. Financial Institutions Catering to Religious Needs

Some banks offer Shariah-compliant accounts for Muslims, or banking products specifically designed for ultra-Orthodox clients. These may include interest-free savings accounts, tailored business loans

5. Ethical Investment Practices

Investment funds that avoid investments in industries deemed immoral or unethical under Halachic principles.

Major Jewish Banks and Financial Institutions



1. Rothschild Family:

Pioneers of modern banking, influential in European finance since the 18th century. First international financial dynasty, connecting European capitals and facilitating large-scale lending and investment.

2. Lehman Brothers:

Founded by Jewish immigrants in the U.S., influential in global finance until 2008.

3. Goldman Sachs:

Founded by Marcus Goldman, a Jewish immigrant, and remains one of the largest investment banks today.

Jewish Pioneering in Finance



- **The Amsterdam Stock Exchange**, one of the world's first, had significant Jewish involvement. Jewish merchants, Jews fleeing the Spanish Inquisition, helped shape the early days of stock trading in the 17th century.
- Jewish economist **David Ricardo** (1772–1823), was a key figure in developing the theory of comparative advantage, which is still fundamental to international trade theory today.

- Many of the most influential economists of the 20th and 21st centuries have been Jewish.
- **Milton Friedman**, a Nobel Prize-winning economist, revolutionized economic theory with his work on monetary policy, while **Joseph Stiglitz**, another Jewish Nobel laureate, has been influential in development economics and global financial policy.



Jewish Pioneering in Finance

- The modern Israeli currency, the **Shekel**, takes its name from an ancient unit of weight and currency used during biblical times.
- The shekel is mentioned numerous times in the Torah and was used in commerce as early as 3,000 years ago.



*One of the oldest **shekel coins** was discovered in the **City of David** in Jerusalem, dating back to around **600 BCE** ! This discovery is significant because it provides evidence that the shekel **was used as currency in Jerusalem more than 2,600 years ago.***

Jews are known for their strong tradition of **tzedakah, or charity**. In the Middle Ages, Jewish communities often had highly organized systems of charity, including interest-free loan societies.

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9. Feb 2023, 7:04 pm ★

Israeli Rescue Team Saves 17 in Turkey, But Officials Say Time Is Running Out

By Dov Lieber

A photograph of a white rescue plane on a tarmac at night, with several people and equipment around it.

humanitarian aid delegation leaving Israel for Turkey earlier this week. (IDF handout/via Reuters)

Israeli rescue teams have been able to save 17 people from ruins caused by [the recent earthquakes in Turkey](#), and 10 in the past 24 hours, including a seven-year-old girl, Israeli military officials said.



Conclusion



- Judaism's relationship with finance is deeply rooted in religious teachings and historical circumstances.
- While this often made them targets of suspicion and hostility, it also allowed them to contribute significantly to the development of finance in Europe.
- From Torah principles to Jewish involvement in modern banking, finance has played a significant role in Jewish life and society values that today are in use across different cultures.



Thank you