

# Sermon

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## *The Moral Hazard of Grace*

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**\*Title Slide Up\*** I really like how Brian often prays after the music time and before the sermon that Rob's words will stick where the Holy Spirit wants them to land, and by implication, that other ideas that might not be relevant or true will not distract us. This reminds me of something I heard a pastor say once. He joked that he thinks that about 10% of what he teaches is probably heresy, but he isn't sure which 10%. So I pray that God will help us latch onto what is good and true and ignore the rest.

For those of you who don't know me, I am a professor at Trinity Western University, here in Langley. I teach economics in the School of Business. I am an economist by training with a PhD in Economics. I find that most people outside academia don't really know what economics is, and actually sometimes people inside it don't know either. So, let's start there. **\*FLIP\*** Economics is a social science – so economists study people – and how people make decisions in the context of scarcity. Scarcity all around us. We have scarce natural resources, like land and fresh water and lithium, to name a few. We also have scarcity on a personal level in terms of time and energy. So even if a Star Trek world came about, with replicators that can make anything, economics would still be with us because we still would have scarce time.

So anyhow, economists spend a lot of time using concepts like scarcity, trade-offs, and incentives. And that last concept – incentives – is crucially important for us today when we are thinking about sin and choices we make.

I started thinking about faith when I was about 12 years old. And I started thinking about economics – formally – when I was about 20. So naturally those two central concerns in my life overlap and inform each other. **\*FLIP\*** I often ask questions about how my faith and morality inform, or ought to inform, the choices I make about the material world, which economics is concerned with. But it also flows the opposite way. I find myself using economic concepts to help me construct my faith and to think about how and why humans and myself make the

choices I do. So today I'm going to introduce you to a concept in economics and use it to discuss sin – a problem we all face.

The economic concept I'm going to introduce you to is called moral hazard. And it sounds like it has to do with morality. But it doesn't, at least not directly. It has much more to do with incentives and how our decisions are affected by whether we bear the full cost of our actions or not. Let's use a cost-benefit analysis framework. We take actions where the anticipated benefits are greater than the anticipated costs. And costs and benefits can be monetary and non-monetary. To give an example, I teach at Trinity Western University in exchange for a certain salary. But I could get paid significantly more if I moved to a different university. So why do I stay? Am I irrational? No. I consider ALL the benefits of working there, not just the money. Non-monetary benefits for me include only a 15-minute commute, a nice office, fantastic colleagues – the School of Business is very congenial – and I get to express all of who I am at work – being a Christian – instead of having to put that aside as I would at a secular university. And we all do this kind of analysis for the choices we face. We consider the total package of costs and benefits when we make decisions.

But what happens if we don't have to bear the full costs? Or we can't capture the full benefits? If we don't bear the full costs – if we can push those costs onto someone else or onto everyone else collectively – it will result in us making *too much* of that choice. For instance, we might take flights on airplanes too often because we don't bear the full cost of the pollution. Or here's a personal example from my household. We practice division of labour in my house, each person doing what they are good at. So Joel is the cook, and I act as a sous-chef, coming along after him, putting away ingredients when he is done with them, and cleaning up dirty dishes. And I frequently accuse him of dirtying too many pots and pans and utensils when cooking, because he doesn't bear the cost of his actions.

**\*FLIP\*** Moral hazard is similar to this, but it occurs in specific situations where a deal is made and then one party makes decisions based on the fact they aren't facing the whole cost of their choice. Many examples of moral hazard arise in insurance markets. Someone buys insurance, say for a bicycle, but after they have already bought the policy, they no longer have incentive to take good care of their bike. They might not lock it up, or they might leave it in sketchy situations. Cause hey, it's insured. So insurance companies have come up with a myriad of techniques to try to manage moral hazard. For example, policies usually have a deductible. This is an effort to raise the costs to you of your bike being stolen or damaged.

Another example of moral hazard that is used a lot in teaching economics is the 2007-2008 financial crisis. Many Wall Street firms as well as banks and mortgage companies and other players didn't face the true and full cost of their decisions. There was a solid track record of the government bailing out firms that got into trouble – the so-called *Too Big to Fail* policy – so that firms knew they likely wouldn't have to face the music. And you see lots of risk-taking as a result. I am not an expert on the financial crisis, so please don't ask me questions about it later, but everyone who is an expert agrees that moral hazard played a major role.

Okay, so now that you know this term – moral hazard – let’s apply the concept to our personal lives, especially as it concerns what I’ll call everyday sins.

**\*FLIP\*** First, let’s discuss sin. This is a very christian word. One person that I discussed this sermon idea with (there were many over the course of the last few months) advised me to use some less religious word. **\*FLIP\*** Like “unhealthy habits” or “harmful choices”. But I’ve decided to not take that advice. Because unhealthy habits implies that it is just something that harms ourselves, like eating too many donuts. **\*FLIP\*** Sin often hurts ourselves, and it often hurts other people, but it could also refer to choices that are simply failing to trust God. So I’ve decided to keep using the word sin as a catch-all for all the ways we fail God, whether we see the immediate, direct harm to ourselves and others or not.

To get a bit more specific, I am thinking in this sermon about the small, everyday, often habitual sins we commit. **\*FLIP\*** These are things that the world around us might not even recognize as bad. Or if society outside the church does see them as bad, they are quick to excuse them. For instance, gossip. While it might not be praiseworthy, people will excuse it very readily. This might be because they themselves do it often. Or something like taking home office supplies. Or not declaring everything on your taxes. Or speaking judgmentally about others. People say things like, “don’t be so hard on yourself, nobody is perfect”, “you have to let your feelings out and have a good rant sometimes”, “you earned that”, or “you have to put yourself first or you’ll be walked all over”. Or a myriad of other excuses. Proverbs 16:2 reminds us “All a person’s ways seem pure to them, but motives are weighed by the Lord.”

I think we can probably all think of an everyday sin that we do regularly, and it has become a habit, or even a borderline addiction. Maybe your’s is envy as you go through Instagram or see things that that friend has that you are jealous of. Or maybe you feel superior to others and silently – or not so silently – judge them. Or maybe you have anger issues that leak out when you are dealing with your family. I could go on and on. Sometimes we don’t see the harm of our sins, and thus we don’t have enough incentive to change. Especially since a lot of sins feel good in the short run. Ranting and trashing someone else can feel good. Or yelling at another driver for their poor driving lets us feel superior. Or saying that witty comeback, which is also an insult, but gets a laugh from everyone else present.

Pause for contemplation their own lives – drink water - slowly

I’ve been thinking about these everyday sins and habits a lot over the past few years. And I’m wondering – using my economics – whether we continue to commit them – and essentially not take sin very seriously at times, because we view grace too cheaply.

In this sermon, I am going to use grace as basically a synonym for forgiveness. Biblical grace is a much richer concept in Christian thought, and God’s grace means his favour, usually on the undeserving, which is all of us. Check out the Bible Project’s video on this word for more on this. But for my purpose today, I’ll mostly just mean forgiveness of sins.

There are two errors I can we can fall into when we think about the price of grace. One is to think grace is too expensive. **\*FLIP\*** That our sin is too much for God to forgive and that it is either an irreparable black mark on our souls that cannot be forgiven, or else we need to work really hard to erase it through good works. In that case, you may never feel assured of your salvation because how do you know if you've done enough good things to cancel out the bad? Some other religions like Islam think like this.

So that mistake – of thinking grace is too expensive or being unsure if you can ever afford it – is serious, but I'm not talking about that today. Let me just say that if you are feeling the weight of something in your life, there is hope and forgiveness.

But today I want to focus on the other mistake we make with grace. And that is thinking it is too cheap. **\*FLIP\*** I am guessing that long-time Christians, and especially people who were raised in Christian household, are more susceptible to this. These Christians, myself included, are assured of our salvation and that Christ's death completely absolves from the eternal consequences of our sin and heals our separation from God. And that is a beautiful thing. Having assurance that we are loved and forgiven and adopted into God's family.

But it is possible, and I think happens, that being so confident of our forgiveness, it actually causes us – perhaps subconsciously – to not take sin in our lives seriously enough. Not being concerned *enough* about habitual sins we've sunk into. These everything sins that are so easily excused by the world, and we start to justify too. We fail to appreciate how our sin hurts ourselves, those around us, and God. I chose this image to represent cheap grace. I noticed how the person in the drawing isn't reaching for God. Perhaps because they view themselves as already forgiven as a matter of course.

**\*FLIP\*** Dietrich Bonhoeffer wrote a famous book called *The Cost of Discipleship*. In it, he describes cheap grace in this way: **\*FLIP\*** "Cheap grace means grace sold on the market like cheapjacks' wares. The sacraments, the forgiveness of sin, and the consolations of religion are thrown away at cut prices. Grace is represented as the Church's inexhaustible treasury, from which she showers blessings with generous hands, without asking questions or fixing limits. Grace without price; grace without cost! The essence of grace, we suppose, is that the account has been paid in advance; and, because it has been paid, everything can be had for nothing. ..." And another quotation from Bonhoeffer, put more pithily is: **\*FLIP\*** "Cheap grace is the grace we bestow on ourselves."

If you remember back to the definition of moral hazard, it was actions taken by one party, after a transaction or deal, like buying insurance, that affect the costs of the other. So in our context, we have a "deal" with God over our souls and salvation – although the word deal is misleading because it is actually more like accepting a gift than buying something – but does it then affect our behavior and choices because we don't bear all of the costs anymore?

What are the costs of sin? Well, it depends on what you do. Some sins have pretty immediate obvious consequences for ourselves or others close to us. But many other times, the cost of a

sin is hidden, or there isn't a direct immediate connection between our choices and an outcome. We know – in our heads – that God hates sin; but it is pretty easy to conveniently forget it, or maybe try to make up for it later.

Speaking of making up for it later, I'm reminded of in medieval times, charging interest on a loan – which was called usury – was either an outright sin, or at least, highly morally suspect, depending on the place and time under consideration. **\*FLIP\*** So wealthy banking and business families would try to absolve themselves of their sins by major charitable works – like building a cathedral, or a hospital, or a monastery; or commissioning major works of art to adorn these institutions. You may have heard of the Medici family in Florence, or the Fuggers in Bavaria. They considered their sin costly and to avoid the consequences – to avoid purgatory – they tried to buy their way out through charity.

Now, as bad theology as I think purgatory is, an upside to it is it shows they thought sin was serious. They were willing to go to quite a lot of trouble and wealth to try to counteract their sins. I wonder if we'd be more dedicated to overcoming our bad habits of everyday sins if we faced the entire consequences. I'm sure glad I don't have to face the consequences of my sin – because the Bible tells us plainly that the consequences is spiritual death and separation from God, AND that none of us would be found worthy. But I can't help wonder if Christians regularly fall into moral hazard by treating grace as too cheap. We think, perhaps subconsciously, well, I'll just confess later. Or, it's not a big deal.

If I'm right, and at least part of our problem with everyday sins is that we don't see the true cost of them, what can we do? How to see this true cost? Is this even something that is desirable, that we realize the true cost?

I'd argue that it is desirable for us to know the true cost because it keeps the whole Biblical arc of sin and salvation in our minds. It is easy to justify our actions, and let ourselves off the hook. But we need to understand and remind ourselves that sin means separation from God, and it took something as drastic as God's son dying a brutal death to enable us to be reconciled to God. **\*FLIP\*** Pastor Rob mentioned to me that he watches the film "The Passion of the Christ" every Easter. I'm not sure if he thinks about things in the terms I've outlined here, but I was struck that that practice of his would be an excellent way to remind myself of what Jesus did for us and to help keep the price of salvation for my sin more front-of-mind. We can read the accounts of the crucifixion in the scriptures, but to be honest, it doesn't come alive for me. Perhaps it has become too familiar. Or perhaps I lack the imagination. But a film can be powerful. So I'm going to do this next Easter.

What else can we do about everyday sins? This is assuming of course that you admit you have a problem. Addiction recovery programs usually start here, I understand. It is necessary to not be in denial. Joel's childhood cello teacher had a saying that has stuck with him throughout his whole life. It is "Everyone wants to get better, but no one wants to change." Once you have

admitted to yourself where you habitually fall short of Jesus' example for us, what next? Let's get really practical.

For the remainder of my time, I'm going to focus on a few spiritual practices that I have found helpful or intriguing. These are daily or at least regular things I do or would be interested in doing to help me grow closer to God and less addicted to sin. Spiritual practices can function like medicine for your soul. But, because each of us have a slightly different soul sickness, that means a practice that works for one person may not have much impact on another. So the selection of practices is a very personal and individual choice. But here's mine.

First, reflection. **\*FLIP\***

I'm spending this year – during my personal devotion time – to reflecting on the book of Proverbs. Timothy Keller has a year-long set of reflections on Proverbs with some penetrating questions that help guide me. One thing he, and the writers of Proverbs, emphasize is the importance of reflection. That in order to build wisdom, you need to experience life, observe closely, and reflect on the actions and consequences you see daily.

**\*FLIP\*** Proverbs 4: 26-27 “Ponder the path of your feet, and let all your ways be established. Do not turn to the right or the left; remove your foot from evil.”

Proverbs 14: 15 “The simple believe every word, but the prudent considers well his steps.”

Proverbs 15: 28 “The heart of the righteous studies how to answer, but the mouth of the wicked pours forth evil.”

This spiritual practice – of daily reflection on a piece of wisdom from scripture – has been very good for me. It is different from traditional bible reading though. In the past few years, Joel and Benjamin and I have done a Read-the-Bible-in-a-Year plan, and we've also done a Read-the-New-Testament-in-a-Year plan. And although I do think immersing yourself in scripture is good – it helps you really know your stories and the main message – it wasn't as powerful – for me – as this practice of reflection has been.

Another key daily practice is confession. **\*FLIP\*** This goes along naturally with reflection, I find. Confessing my explicit wrongdoings and also sometimes just the missed or ignored opportunities. We, as protestants, don't believe we need an intermediary with God. Catholics confess their sins to a priest, in confidence, and they receive absolution from him, sometimes in combination with actions they must take for reconciliation with others or God. I don't believe this is necessary to receive God's grace. Confession on your own, in your heart, with a true penitent attitude is enough.

But I am also intrigued by practices of confession to another person. **\*FLIP\*** Having a spiritual confidante that you can practice confession with can be powerful. They can help you stay accountable. You know that someone else is aware of your struggles, is concerned about it, and is praying for you. They can also encourage you, especially if you are feeling discouraged

about your progress or lack thereof with your sinful habits. Of course, this would have to be a special relationship marked by trust, love and respect, and honesty. Though I don't currently do this, there are times in my past where I had a friendship like this. And it is difficult! It is hard to remain humble and honest, to not get defensive, and to not excuse away the sins of your partner. But the rewards are great too.

**\*FLIP\*** One important thing to mention when you are talking about spiritual disciplines is the idea that it is not just sin management. Like, we do these certain rituals, or employ self-help techniques, or life hacks, or whatever you want to call it, and those strategies will correct and heal us. The problem with that attitude is that it puts the locus of change on ourselves exclusively and it depends almost entirely on our self control. And none of us have enough self control to truly overcome the sin in our lives. We need to also call upon the Holy Spirit to help us. Don't get me wrong – I think we do have a key role to play – and self control is very important – it is listed as one of the fruit of the spirit after all – but that we can't do it on our own. We need to rely on God too. I heard this phrase once that has always stuck with me:

**\*FLIP\*** Without God, I can't. Without me, God won't.

By the way, I want to plug Adele Calhoun's book *Spiritual Disciplines Handbook*. She goes through 75 spiritual practices in a just a page or two each, giving background to the practice – some very ancient and some very contemporary – and some specific practical exercises. If you are like me, and want some step-by-step suggestions, I highly recommend her book.

The last practice or habit I want to mention is having God in front of us throughout our day. This isn't a specific practice so much as noticing the other sources of influence on us. For instance, the music we listen to, the TV or movies we watch, the people around us, etc.

**\*FLIP\*** Proverbs 4: 23-26 "Above all else, guard your heart, for everything you do flows from it. Keep your mouth free of perversity; keep corrupt talk far from your lips. Let your eyes look straight ahead; fix your gaze directly before you. Give careful thought to the paths for your feet and be steadfast in all your ways."

For the past year, I have been going to a gym three times a week and so I've had a lot of exposure to contemporary, popular music. And I am appalled by how few healthy messages I hear. Every song is pretty much about sex and lust, living for today, and valuing short-term pleasure and experiences. And even more disturbing is I find those catchy tunes going through my head throughout my day. This highlights to me that music, TV shows, or anything else we are giving our attention to influences us.

Now sometimes you can't choose the influences around you. For instance, maybe there is someone at your workplace who is negative and complains a lot. You find yourself getting into complaining mode around this person. Well, you don't get to choose your coworkers. Just like I have no control over the music at the gym. So it's not practical to say we have total agency over what is around us. But I think it is important to at least realize where sources of influence are

coming from. To reflect on how they are affecting us, and perhaps make different choices when we can. Here is a quotation from Dallas Willard that I really like.

**\*FLIP\*** “The first and most basic thing we can and must do is to keep God before our minds. This is the fundamental secret of caring for our souls. Our part in thus practicing the presence of God is to direct and redirect our minds constantly to Him. In the early time of our practicing, we may well be challenged by our burdensome habits of dwelling on things less than God. But, these are habits, not the law of gravity, and can be broken. A new, grace filled habit will replace the former ones as we take intentional steps toward keeping God before us. Soon, our minds will return to God as the needle of a compass constantly returns to the north. If God is the great longing of our souls, He will become the polestar of our inward beings”

I’ve outlined these three practices – reflection, confession, and keeping God present – because I have found them to be helpful in my own battle against everyday sins. These help me stay aware of my failings – and not to excuse them – and to remind me of what I’m striving for. And to be honest, there are days when I feel like I am absolutely nowhere. That no progress has been made. But there are glimmers of hope on other days. As internet pastor John Mark Comer has said, **\*FLIP\*** “Change is possible, but it is harder than we want and takes longer than we expect.”

Through these practices, I try to remind myself regularly that my sin is costly. Grace isn’t cheap.

**\*FLIP\*** I was bought at a great price. Even when I don’t see the immediate negative effects of a choice I make, it doesn’t mean the cost doesn’t exist. This is one way I use my economics to help my faith. If you want to hear about other ways, and how economics can help you, materially and spiritually, you’ll have to take my courses. **\*END SLIDES\***

Lord, we acknowledge that we often don’t take sin seriously enough. We are quick to justify ourselves and to believe the lies the world tells us. We ask you to help us break these habits. To guide us to practices that will be medicine for our souls. And to continue to work in us and alongside us as we live our everyday lives. We love you God, and we don’t want to treat grace as a cheap thing, but rather as the precious gift that it is. Amen.