

Session 2. Philosophy: Logic and Epistemology

Session overview

- Brief introduction to philosophy
- Illustration of basic concepts in logic and how it is used in apologetics
- Define epistemology and demonstrate its importance in apologetics
- Explore important connections between logic and epistemology with financial budgeting

Key passages

- Seekers of wisdom: **James 1:5**
- Captivating nature of false philosophies: **Colossians 2:6-10**
- Jesus as master logician: **Matthew 22:23-33**
- Paul following Jesus' logic: **1 Corinthians 15:12-19**

Philosophy defined

- Philosophy is derived from two Greek words (phileos or φίλος “to love” and sophia or σοφία “wisdom”) meaning loving wisdom¹
- “Philosophy is just thinking hard about something.” Alvin Plantinga
- Significant disconnect between what ought to be (normative) and what actually is (positive)
- Key insight: The closer one's worldview is to the truth, your financial management decisions will improve

Philosophical worldview

- A philosophical worldview means a perspective based on an ordered set of propositions that govern all aspects of life
- These propositions tend to be presuppositions and core assumptions
 - Presuppositions are implicit assumptions about the world
 - Core to any argument to posit a philosophical worldview
 - One's worldview is like a pair of glasses
- Only within a worldview can we make coherent decisions
- Decision-making process follows after our worldview choice

Decision-making process

- Means any method of assessing the “correctness” of a particular “idea” within a particular worldview
- Ideas, or more precisely, propositions, are essentially truth claims
 - Example: “Jesus Christ rose bodily from the dead.”
 - Whether or not this proposition is deemed valid will depend on
 - Philosophical worldview
 - Particular decision-making process deployed
- Philosophical worldview precedes the decision-making process
- Poor financial decisions may indicate a faulty worldview
- Decisions are an important piece of evidence regarding our worldview
- When “ideas” are evaluated, there are two key considerations
 - Coherence
 - Correspondence

¹Source abbreviations defined in session references.

Coherence

- Focus is not on whether the “idea” is true, but rather whether there are any inconsistencies between the “idea” and the worldview
 - Inconsistencies are often known as defeaters
 - Absent any defeaters, then the “idea” is likely to be coherent

Selected examples:

- “I am absolutely certain that there are no absolutes.” (Incoherent)
- “In the beginning, God created the heavens and the earth.” (Coherent within a theist’s worldview)

Coherence is normative, what ought to be, in flavor.

- Consider lunar cycle stock investing strategy
 - Buying stocks during the 15 days surrounding the new moon and shorting stocks during the 15 days surrounding a full moon
 - Lunar cycle investing strategy does not fit most worldviews
- Empirical evidence is likely never considered

Correspondence

- Correspondence is focused on how well an “idea” aligns with observations within the space-time universe
- Is an “idea” more likely to be true in light of empirical observations when compared with a contrary “idea”

Selected examples:

- “All swans are white.” (Lacks correspondence)
- “All swans are not white.” (Correspondence)

Correspondence is positive, what is, in flavor

- Yuan, Zheng, and Zhu (2006)² find significantly positive returns to the lunar cycle investing strategy identified above across 48 countries
- Cannot be explained by standard approaches
- An empiricist may adopt this strategy only if it initially passed through their philosophical worldview screen

Logic

- Logic lies at the core of all intellectual activity
- Avoid logically absurd “ideas”
- Logic is deeply objective
- The goal of logic is to reach a conclusion
- Expressing oneself logically requires the hard work of carefully crafting every statement
- Deductive argument – premises guarantee the truth of their conclusions (MC, 29),
- Systematically organized by Aristotle (383-322 B.C.) (GF, 28)
- Inductive argument – the premises render the conclusion more probable than its alternatives
- Abductive argument – identifying the set of premises that best explain the conclusion

²Yuan, K., Z. Lu, and Q. Zhu, (2006). “Are investors moonstruck? Lunar phases and stock returns.” *Journal of Empirical Finance* 13(1), (January), 1-23.

The following are a few selected deductive logic rules.

Rule 1: modus ponens

1. $P \rightarrow Q$ (Read: If the statement P is true, then the statement Q is true.)
 2. P (Read: The statement P is true.)
 3. Q (Read: Therefore, the statement Q is true.)
-

Example: modus ponens

P – Christ has been raised from the dead

Q – There is a resurrection from the dead

Premise #1: If P , then Q (denoted symbolically as $P \rightarrow Q$)

Premise #2: P (Christ has been raised from the dead.)

Conclusion #3: Q (There is a resurrection from the dead.)

Rule 2: modus tollens

1. $P \rightarrow Q$
 2. $\neg Q$
 3. $\neg P$
-

Example: modus tollens

P – Apostles' statements are true

Q – Christ has been raised from the dead

Premise #1: If P , then Q (denoted symbolically as $P \rightarrow Q$)

Premise #2: Not Q (denoted $\neg Q$) (Christ has not been raised from the dead.)

Conclusion #3: Not P (denoted $\neg P$) (Apostles' statements are false.)

Rule 3: Hypothetical Syllogism

1. $P \rightarrow Q$
 2. $Q \rightarrow R$
 3. $P \rightarrow R$
-

Example: Hypothetical Syllogism

P – There is no resurrection from the dead

Q – Christ has not been raised from the dead

R – Apostles' preaching is false

Premise #1: $P \rightarrow Q$

Premise #2: $Q \rightarrow R$

Conclusion #3: $P \rightarrow R$

Jesus used laws of logic to refute opponents

Jesus is a master logician: Recall **Matthew 22:23-33**.

Law of non-contradiction

- Law of non-contradiction (LNC) – P cannot be both Q and not- Q at the same time and in the same sense
- The LNC cannot be proven
- Any argument whatsoever must rely on the LNC
- Further, you need argument to prove the LNC
- Aristotle: Shows you have nonsense if the LNC is repudiated.
- The LNC is therefore necessary, presupposed, and used for any significant thinking
- Cannot think properly if you deny the LNC
- Example: We cannot use language until you presuppose the LNC
 - Assuming predicate, noun, adjective
 - Means what it means and not something else
- New age religion repudiates the LNC, eastern religions often allow contradictory beliefs
 - Both contradictory beliefs, however, cannot both be true as it requires the sacrifice of reason and the LNC
 - If you believe arguments are possible, then at least implicitly you are affirming the LNC.

LNC is basic. It is presuppositional. Christians adhere to the LNC. Recall **1 Corinthians 15:12-19**.

Inductive arguments

- Premises do not guarantee the truth of the conclusion
- Merely provide support or grounds for the truth of the conclusion

Abductive arguments

- Process of identifying the best set of premises that support the given observation
- Expenses exceed revenues over long periods of time, conclude beliefs or behaviors are wrong
- Most financial decisions fall within abductive reasoning

Logic and budgeting

- Budgeting involves checks and balances: The checks wipe out the balances!
- Manually wrestling with the numbers seems to aid in instilling the discipline necessary to change
- Budgeting is extremely logical – historical income and expenses are not subject to one's beliefs
- Illustration: (see online materials)

Epistemology

- “(B)ranch of philosophy that tries to make sense out of knowledge, rationality and justified or unjustified beliefs.” (MC)
- Epistemology addresses “how we know” reality (GF, 20)
- Reformed epistemology “... is the idea that belief in God is a ‘properly basic belief’: it doesn’t need to be inferred from other truths in order to be reasonable”

Correspondence theory of truth

- Aristotle states, “Truth occurs when thought and reality coincide.”³
- “(T)ruth obtains when a truth-bearer stands in an appropriate correspondence relation to a truth-maker.” (MC, 135)
- Truth-bearer (TB) is the statements and beliefs that is true or false
- Truth-maker (TM) is the actual state of affairs or facts
- The truth-bearer (TB) is a declarative proposition.
 - TB = “All swans are white”
 - For a long period of time, empiricist believed this TB to be true
- Truth-maker (TM) is found in the space-time universe
 - The TM observation of a black swan
 - Truth is said to obtain when TM corresponds to TB
- Correspondence theory of truth asserts that
 - “truth obtains when reality is the way a proposition represents it to be.” (MC, 130)
 - Propositions have intentionality, that is, they are often directed towards an object.
 - Note that while evidence is truth-conducive, it is actually the case that evidence is not the same thing as truth itself; (MC, 141)

Epistemology and budgeting

- Finance is inherently linked to the task of valuation
- Valuation by definition involves the current monetary value of perceived future benefits
- Perceptions of the future involve epistemic uncertainty
- 37% of U.S. homes are owned without a mortgage – leverage is a family choice
 - Do we trust academics, financial advisors, and bankers?
 - Alternatively, dust off the Bible and seek God’s wisdom
- Balance sheet illustration: (see online materials)
- Financial challenges requires thinking logically
- Understand the actual level of epistemic uncertainty encountered
- Critical need to have correspondence between personal finance ideas and the factual realities of our financial situation

Contact: Robert Brooks, (205) 799-9927, rbrooks@frmhelp.com, www.robtebrooks.org.

³Aristotle (384-322 B.C.) Quoted in *Oxford Users’ Guide to Mathematics*, 1996, p. 895.

Key Bible Passages

James 1 ⁵If any of you lacks wisdom, let him ask God, who gives generously to all without reproach, and it will be given him.

Colossians 2:6-10 ⁶Therefore, as you received Christ Jesus the Lord, so walk in him, ⁷rooted and built up in him and established in the faith, just as you were taught, abounding in thanksgiving. ⁸See to it that no one takes you captive by philosophy and empty deceit, according to human tradition, according to the elemental spirits of the world, and not according to Christ. ⁹For in him the whole fullness of deity dwells bodily, ¹⁰and you have been filled in him, who is the head of all rule and authority.

Matthew 22:23-33 ²³The same day Sadducees came to him, who say that there is no resurrection, and they asked him a question, ²⁴saying, “Teacher, Moses said, ‘If a man dies having no children, his brother must marry the widow and raise up offspring for his brother.’ **25**Now there were seven brothers among us. The first married and died, and having no offspring left his wife to his brother. ²⁶So too the second and third, down to the seventh. ²⁷After them all, the woman died. ²⁸In the resurrection, therefore, of the seven, whose wife will she be? For they all had her.”

²⁹But Jesus answered them, “You are wrong, because you know neither the Scriptures nor the power of God. ³⁰For in the resurrection they neither marry nor are given in marriage, but are like angels in heaven. ³¹And as for the resurrection of the dead, have you not read what was said to you by God: ³²‘I am the God of Abraham, and the God of Isaac, and the God of Jacob’? He is not God of the dead, but of the living.” ³³And when the crowd heard it, they were astonished at his teaching.

1 Corinthians 15:12-19 ¹²Now if Christ is proclaimed as raised from the dead, how can some of you say that there is no resurrection of the dead? ¹³But if there is no resurrection of the dead, then not even Christ has been raised. ¹⁴And if Christ has not been raised, then our preaching is in vain and your faith is in vain. ¹⁵We are even found to be misrepresenting God, because we testified about God that he raised Christ, whom he did not raise if it is true that the dead are not raised. ¹⁶For if the dead are not raised, not even Christ has been raised. ¹⁷And if Christ has not been raised, your faith is futile and you are still in your sins. ¹⁸Then those also who have fallen asleep in Christ have perished. ¹⁹If in Christ we have hope in this life only, we are of all people most to be pitied.