Economics of History Activity

The Reformation in Europe

Selling Indulgences

Members of the Catholic Church in the Middle Ages were taught that good people went to heaven and sinners went to hell. But in the eleventh and twelfth centuries, the idea of purgatory—an in-between place where people’s souls would go after death so that these individuals could do further penance to have their sins forgiven—was introduced. Around the time of the Crusades, the Church began to sell indulgences, meaning that people could literally buy their way out of purgatory by giving money to the Church.

In terms of Catholic Church teachings, the selling of indulgences was based on the idea that for a sin to be forgiven, it wasn't enough for a person to confess, or to feel guilt or remorse. A person also had to suffer earthly punishment. However, from an economic standpoint, the purpose of indulgences was to make money.

The practice of selling indulgences coincides with a major shift in the economic landscape of Europe in the Middle Ages. For centuries, the economy had been based on the barter system, or trading one good or service for another. Europe was switching to a money economy, in which paper or metal money was used to pay for things. This increased demand for tangible currency corresponded with the Church’s pursuit of using money to quantify a person’s human worth.

Money streamed into the Church, and even non-Church officials such as princes and nobility began selling indulgences, sometimes in the form of selling religious relics or statues. Over time, more and more people began to seriously question the validity and logic of paying for indulgences to achieve salvation. Exactly how much time would be subtracted from purgatory for how much money? Wouldn't it be more effective to do good works to make up for sins? The corruption of the system was becoming more obvious, especially when the Church started selling indulgences for people who had already died.

Finally, in 1517, as part of his Ninety-five Theses, Martin Luther put people’s doubts into words and asked, "Why does not the pope liberate everyone from purgatory for the sake of love (a most holy thing) and because of the supreme necessity of their souls? This would be morally the best of all reasons. Meanwhile he redeems innumerable souls for money, a most perishable thing, with which to build St. Peter’s church, a very minor purpose."

Of the Protestant churches that followed, almost none of them continued the practice of indulgences. The Catholic Church abolished the practice in 1567, though the selling of indulgences continued. Finally, in 1967, Pope Paul VI stated that indulgences were not about forgiving sin or getting out of purgatory but rather encouraging good works.
Economics of History Activity Cont.  

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Applying Economics to History

1. **Analyzing** Why do you think the demand for indulgences increased?

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2. **Identifying Central Issues** How did the Catholic Church defend the selling of indulgences?

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3. **Making Inferences** Why would selling indulgences not have been possible before Europe had switched to a money economy?

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4. **Drawing Conclusions** What were other ways the Catholic Church could have chosen to get money from its followers?

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