

Economics from a Christian Perspective

Greg Northrup

The last time I checked there wasn't a Christian economic system we could check out and copy.

I think most approaches to economics have been tried at one time or another.

Since economic systems run inside of countries with governments, the question seems to be whether the economic system should be; completely or mostly free of government control, completely or strongly controlled by the government, or something in between.

What has God said about economics?

Here are some generalities I have picked up.

As discussed in the "America from a Christian Perspective" portion of this website:

We know that God favors significant amounts of freedom for his people because, when he had the choice whether to build in significant control for Himself or not, He chose to provide lots of liberty by giving people Free Will, even though that put quite a burden on Him. Freedom is one of the aspects of the image of God in which He has created us. It doesn't make sense that He would want flawed men and women to have strong control over His people that He didn't take for Himself. This led us to conclude that He would like His people to live under a significant amount of political freedom.

I think this also means that He would like His people to live under a significant amount of economic freedom, as well. Why would He want flawed men and women to have economic control over His people? Another factor is that it is almost impossible to enjoy political freedom under an environment in which the government exercises great control over all aspects of economics. How could you dissent from, or exercise any control over, a government that had total control over your job, earnings, and financial survival?

Throughout the Bible, we find the right to private property recognized, and defended.

God blessed many wealthy people such as: Abraham, Solomon, David, and others, so He apparently did not think there was anything inherently wrong with accumulating wealth or income inequality. He did make it clear that wealth should be accumulated in ways that are fair, and should be used to help the poor.

Then there is the parable of the talents that Jesus told:

The master gave 10, 5, and 1 talent (measure of money) to three different servants. When he came back, he asked what they had done with the money he gave them. The one who received the 10 talents had earned 10 more. The master said that because he had been trustworthy with small

things, he rewarded him with much more responsibility. The same thing happened to the servant who had been given 5 talents. But the servant who had been given 1 talent told the master that he was afraid and hid the talent under his bed. The master scolded him, took the 1 talent away from him, and gave it to the servant who had 10. It is significant that He gave the one talent to the one who had multiplied the ten talents rather than the one who had five because he knew that the return would be greater.

The point of this parable seems to be that we should use the resources we have to increase both our own, and our employer's wealth. We are not supposed to sit around and not use the gifts God has given to us. We are to use them to benefit ourselves and society. You could possibly conclude that there was some kind of free market involved here that enabled two of the servants to multiply their resources.

Here are some other things we might conclude.

God is quite a creator. He created us in His image. We have the gift of creative ability, and we should use it to the best of our ability. I don't think God would favor a situation in which there was a government power that was able to interfere with the use of our creative ability.

God directs us to take dominion over His creation, albeit with a stewardship perspective.

There are many other spiritual gifts God has given us, as outlined in the Bible, and we should use those gifts to the best of our ability, as well, to take dominion over His creation.

My take on all of this is that I think God wants us to live under an economic system that offers us the greatest opportunity to use the gifts He has given us to the best of our ability, without interference from some other power. I think He favors a system with as much freedom from government control as is reasonably possible.

That seems to match what we call the free market system. That might be hard for some Christians to accept. We are talking about the basics of the underlying system. Obviously things go wrong within this system, as with any system. For one thing, greed can run wild. We haven't yet gotten to how Christians should operate within, and how they can affect the system.

We are saying that it seems to be more consistent with a Christian worldview than the alternatives, which involve strong government control or domination. We haven't yet discussed how much government control may be appropriate. We do think that even more things can go wrong, resulting in more adverse consequences, in a system with too much government control than one with too little control.

Christians believe that Christianity is the ultimate truth about all of reality. We do not think that it is simply a moral system that you can choose to believe in or not. Unfortunately, many Christians and churches get sidetracked into focusing attention on many specific aspects of Christianity before making the case that it is the truth about reality. If we were to become better at making that case, and it is not

that difficult to make that case, we would enjoy much more success persuading or evangelizing others on the specifics.

If Christianity is the ultimate truth about all of reality it has really valuable things to say about economics and we should bring it into any discussion of economics.

Why is the free market referred to as capitalism?

Under a free market system, individuals are free to offer products and services in the marketplace, but it normally takes some resources to get a business started. A person who wants to start a business is called an entrepreneur. Those necessary resources are called capital. Capital can come from various sources. The entrepreneur may have enough of their own wealth to start the business. If they do not, they must get it from someone else. They can get it by borrowing from a bank and that is called borrowed capital, or they can convince someone else, who has wealth, to make an investment in their idea or company. That is called investment capital. No one will provide capital unless they can convince themselves they will receive a return on their involvement. A bank's return comes in the form of interest. An investor's return comes in the increase in the value of their holdings.

In a poor society with very little income inequality and few wealthy people, there is very little capital available. It is extremely difficult for new business to form, for economic growth to take place and for employment opportunities to develop.

I have been blessed to participate on mission trips to Africa and Central America. I have seen overwhelming poverty and hopelessness. Unfortunately, these countries do not have free market systems, but even if they did, there is not enough income inequality for capital to exist. They may receive temporary charitable help, but that goes for immediate needs and capital does not form; so economic circumstances do not improve for the long term.

In a way, the best thing that could happen to these countries would be for a bunch of millionaires to move there with capital, start businesses and create an economy. Unfortunately, there are many people who would immediately bemoan the income inequality which resulted from millionaires moving there and would tax away the capital from the millionaires to make things fair. That is just a bit counter-productive. I haven't seen anywhere in the Bible where God criticized income inequality. He actually blessed wealthy people like David, Solomon and many others and he rewarded the successful investors in the parable of the talents.

It is clear that we are to obtain wealth fairly and to share it with the poor. I also think God is clear that it would be better for us to share our resources with the poor by providing them with jobs with sustainable rather than temporary benefits and opportunities rather than hand outs. That is what capital can do.

Economic Assumption of Abundance or Assumption of Scarcity

We may not be aware of it, but most of us carry around one of these two assumptions about resources, wealth, and opportunities. It is part of our worldview, and it colors how we interpret economic and financial matters, among others.

I believe that the general assumption we make about abundance vs. scarcity colors what we think about a wide variety of things from our work, to politics, to race relations. It tends to make us either optimistic or pessimistic about life's opportunities. I think the differences we have in this area account for some of the biggest differences between political parties in the United States. Let's look at them.

By the way, I can assure you that this difference in assumptions is one of the primary differences between the haves, and the have-nots of the world.

Those of us who see a world of abundance, look around the world and see opportunity everywhere. We do not see the world as a fixed amount of resources that must be shared with others. We think there are unlimited resources. We believe that new resources are created all the time, and we want to create some. If the amount of resources in the world were represented by a pie, we are focused on making the pie bigger. Then there will be more resources for everyone. We do not fear that someone else's acquisition of resources or wealth limits our own ability to acquire some. We may even see that someone else's accumulation of resources or wealth can be to our own benefit, because we now see a whole new area of opportunity around their area of new wealth.

Those who see a world of scarce resources see a pie of limited resources that must somehow be shared equally and fairly with others. They believe that someone can only accumulate a disproportionate amount of resources by taking them from someone else. They fear that someone else's gain limits their opportunity. They spend time watching what others are doing, and often want someone, like the government, to help them make sure the other person doesn't get too much, which might end up limiting their own opportunity to acquire wealth.

One quick way of telling which assumption one carries is to look at which of the following statements they would make.

With only 6% of the world's population, the United States has 25% of the world's wealth, or

With only 6% of the world's population, the United States created 25% of the world's wealth.

I think you can guess which is which.

Do Christian and secular worldviews differ in this area? To tell you the truth, I am not 100% certain, but let's think it through.

The Christian worldview is based on individual freedom, so I am inclined to see a comfortable fit with seeing a world of abundance. The secular worldview is focused on strong government control, and that

can certainly be facilitated by taking control over what is seen as a limited amount of resources. Secularists certainly use calls for fairness and equality in resource, or wealth distribution as one of their main pitches to get people to give up portions of their individual liberties in exchange for giving power to the secularists.

OK – which assumption holds up to reality? The answer seems obvious to me, so I am really baffled when people hold the other.

At an international level, the answer seems really clear. Let's think back to the end of World War II. The United States was clearly the dominant military power in the world. We could have done what many secular conquerors did in the past. That is run around the world grabbing wealth from countries that were not as strong as we were. That would certainly have gotten us some wealth.

But, and I think this was because we had a Christian worldview (called to love our enemies among other things), and an assumption of abundance; we did something that had never been done by a conqueror before. We went to our conquered enemies, who were certainly weaker than we were, and instead of taking their wealth, we offered to help them rebuild their societies. Not only did we not take their resources away, we actually invested part of our resources in their countries. If we saw the world as a pie of limited resources, that was a really stupid move.

Well, how did that turn out? We know how it turned out. We became massively wealthy over the next 50 years, and so did our former enemies. The total resources in the world got a lot bigger at the end of the 50 years than it was when we started. I guess the pie got a lot bigger. Standards of living for citizens in the countries involved improved significantly. Some of us call that the "Trickle-down effect." Secularists don't think the "Trickle-down effect" works, and make fun of it. They are the same people who focus on dividing up the pie, instead of focusing on making the pie bigger.

These same things are happening over and over again. South Korea became the first Asian Giant when we opened our markets to them, and taught them our free market principles. The same thing is happening now in India and China. As Christians, we should feel wonderful that the Christian worldview of the United States has enabled us to help raise the living standards of hundreds of millions, maybe billions of people around the world.

What do the secularists think of all this? Well, they are still focused on a pie of limited resources. One result is that they have begun to hate their own country because they think the United States has ended up with a disproportionate share of the world's resources. They think we must have done something unfair to get to that point. This, of course, requires them to totally ignore the reality of what I outlined above. What will happen? If secularists gain power, they will take actions that will redistribute resources from the U.S., which will reduce our standard of living, to poorer countries. Unfortunately, because the secularists don't understand the economics of abundance themselves, they will not teach those countries what to do with the resources they are receiving. As our pile of resources diminishes over time, our standard of living will decrease, and we'll be less able to help others. In other words, because secularists misdiagnose how people get into the circumstances they are in (poverty as a result

of choosing a bad economic system), the solutions they propose will actually make things worse for everyone.

You can see this in action, internationally, as our secular President goes around the world apologizing for America. This is especially frustrating to those of us abundance believers who are well aware of what a great blessing America has been, and continues to be to the world.

Domestic United States politics

This difference in economic assumptions between abundance and scarcity greatly influences our domestic politics as well.

Secularists have a strong stake in making disadvantaged people dependent on them because dependent people will then willingly give more power to the people they are dependent on. They feed them the false line (scarcity); then promise them, that they (the secularists) will take care of them by promising that the government will give them lots of stuff, if they just put the secularists in charge of the government. The scarcity line is also used to get the disadvantaged to hate people who are doing fairly well, because, you know, they must be doing something unfair to get a disproportionate share of the limited (in their minds) amount of wealth or resources that are available.

You can see this con in action in places like Detroit and Chicago where the secularists have been in power for a hundred years or so. The people stay poor, even get poorer, but the secularists stay in power, even see their power grow.

The losers, of course, are the disadvantaged people who believe the lie they have been fed. They don't see the opportunities that are available to them, and have been taught to hate the people who can actually help them. What a terrible thing it is to dump this lie onto the disadvantaged people of our country.

At the same time, some people from outside our country, say from Mexico, see America as a land of abundance and opportunity. They risk their lives to come across the border to a place where they do not even speak the language. They are willing to work very hard, and endure long periods of time away from their families, to build a better future for themselves and their children. Meanwhile, many people back in Detroit, and the south side of Chicago stay put, argue about who they should be blaming, and leave the opportunities to others. You have to wonder what kind of community organizing they went through.

Christians, who should believe in abundance provided by a loving God, should be leading the charge to tell the truth to the disadvantaged. This is again a matter of dealing with the internals of individual men and women, instead of blaming problems on the environment. We should be involved in our inner cities teaching the concept of abundance, helping people see the opportunities that are available to them. Then we should go on to help them develop the moral character based on a witness for Christ, and work skills that will enable them to take advantage of the opportunities that are there. Unfortunately we are

not there. We are missing in action. We're hanging out in our churches; or watching out for our own families. We have sometimes forgotten that God has told us to take care of the needy. There are many effective Christian ministries to the poor, however since we haven't done as much as we are capable of doing, the field is open for the secularists to move in and spread their lies, which they are doing quite well.

What unique role has the United States played in world economics?

Many of us believe that the United States has been specially blessed by God, in many ways, because of our unique founding principles. It is clear that our founding fathers believed in God and created the country in a way that acknowledged God and then they attempted to hold themselves accountable to God.

Since they believed in Original Sin, they designed a government with many checks and balances to prevent powerful men from taking control. They reserved most of the power for the people and gave limited power to government. They put much of the governmental power into the various States and those powers given to the federal government came with many checks and balances attached to them.

The founders were not perfect men as none of us are. At the time of the founding, slavery existed within our geographic boundaries as well as in many other parts of the world. Some of the founders even owned slaves themselves. But I believe that because they committed themselves to God that He guided them to include the principle that all men are created equal. That principle made it impossible for slavery to stand and made a civil war to end it inevitable. We are still dealing with the consequences of that.

The founding principles included the free market system.

Many European countries, who were not committed to free market principles, and who bought into the assumption of scarcity colonized much of the world, including America, in an attempt to acquire more resources and wealth. In the process of doing that, they exerted colonial powers over the people they conquered and ruled. Often their treatment of these people was unfair with unfair consequences on these people that in some cases continue to today.

The United States did not colonize other people in this way. Because we believed in free markets; had the assumption of abundance, and because of our Christian principle of loving our neighbors we approached relationships with others as partnering opportunities, even after we had to face them in wars and had defeated them.

We have never confiscated anyone else's wealth. Instead, we invested our capital into other countries, opened our markets to them, and taught them our economic principles. It seems quite reasonable that God would have blessed us in these endeavors. We have done this with Germany and all of Europe, and Japan, South Korea and much of Asia, as well as other places. India and China, with populations over one billion each and with societies thousands of years old, were struggling to feed their people until we

opened our markets to them, invested some of our capital into their countries and taught them our economic principles. We have helped to eliminate poverty and raise living standards for hundreds of millions, perhaps billions of people around the world.

One of the major components of free market capitalism is competition

When people are free to enter the marketplace they will inevitably compete with each other. Is that a good or bad thing? I spent my entire career in the free market and boy did we compete.

From the stand point of an entrepreneur or owner competition is kind of a pain in the neck. Someone is always trying to take away your customers by offering them better or cheaper products and services. It is challenging, but fun in a way because it makes business more like a sport. The competition makes you better, stronger and more skilled. It is great for employees because the better you become the more employers will compete to get your services. Of course it is great for consumers because people are competing with each other to give them better and cheaper products and services.

The owners would rather do without the competition. They would really prefer to have a monopoly. That would make their lives a lot easier and more profitable. A critical role for government to play is to keep the markets free and to keep monopolies from forming. Unfortunately, some sinful men will try to optimize their wealth by trying to get the government to help make things difficult for their competitors and get some monopoly power.

They try to do this by lobbying government officials or giving them money to get elected so they will be supportive of their donors wishes when in office. This doesn't work very well if the government's powers are limited as the founders intended. Remember because of their belief in Original Sin they anticipated this could happen and tried to limit government's powers. Unfortunately, things are changing; government power is increasing at frightening rates. It should be clear to us as Christians that we need to be salt and light by limiting government powers and making sure that necessary checks and balances in place.

The most dangerous situation is when the government is the monopolist as is pretty much the case with our education system through high school. No one can compete with them or hold them accountable. And we wonder why our school system has sunk to about 30th in the world. If we could bring competition to our education system, students would benefit because people would be competing with each other to see who can do the best job of educating them. There would be an explosion of innovation, technology and creativity in developing new and exciting curriculum approaches. Teachers and administrators would become challenged and inspired to be the best they can be. And schools would be competing with each other get the best, brightest and most innovative teachers. Everyone wins, which is the beauty of free markets.

What are the implications for African-American and other minority and disadvantaged people?

Since our nation's founding, African Americans have suffered through slavery, Jim Crow and housing and other heartbreaking forms of discrimination. Many white Christians do not appreciate the reality that so much unresolved hurt, pain and anger remains from these historical realities. Most white people tend to believe that institutional racism was eliminated by Civil rights legislation. And most have clearly moved, as Martin Luther King asked us, to judge people not by the color of their skin, but by the content of their character.

But many African Americans are trapped in failing cities, in failing school systems and suffering the economic consequences of these historical wrongs. As Christians we cannot allow these consequences to continue. As most Christians continue to sit on the sidelines, we are seeing our African American brothers and sisters suffer and race relations deteriorate.

We need to help African Americans appreciate and understand how the free market system works and to help equip them to reap its advantages as we have done. Other minorities and disadvantaged people often are struggling with these same issues.

When many black Americans hear conservative Christians say that we want to go back to our founding principles, they think that includes slavery or, at least, racial discrimination against them. The reality is that slavery makes no sense whatsoever as an economic system. Only the owners would ever be able to buy any products or services because no one else would have any money; so they wouldn't have much of a market. Henry Ford understood the free market and helped to jump start our nation's growth by adjusting the wage levels of his employees and the price of his cars so that his workers, as well as many other average earners could afford to buy his products. No Christian conservative would ever countenance mistreatment of his employees, let alone slavery. The reality is that in a competitive free market every employer is under pressure to find the best employees he possibly can, and doesn't care one bit what color someone's skin is. It is only a monopolist or a state run system that would be able to survive with other than the best possible employees.

Too many of our inner cities are broken, at least major parts of them, and good people are overwhelmed and hopelessly trapped in them. It is going to take a combination education, capital, moral character development, innovation and partnering across racial and class lines to make progress. The government monopoly of education and policy has failed.

I know from my business experience that capital flows to where risks are lowest. Businesses look for areas where crime is not significant, and where there is an educated populace with demonstrated high work ethic. If those factors are not present, capital providers and business entrepreneurs simply will not take the risk of beginning a business, and they will quickly locate elsewhere. It is tough enough for them to make businesses work successfully where everything looks good.

I believe that too many of our disadvantaged people have bought into two incapacitating thoughts. First, many have fallen for the false economic assumption of scarcity. They are worrying about income inequality and how unfair things are. They want somebody (government) to do something about it and make sure wealth is shared fairly. They are blind to the many economic opportunities that the rest of us

see and are pursuing. Second, they have bought into the lie that a significant number of those in the white majority are racists. The combination of these two thought patterns can be incapacitating. If you think there are lots of racists out there, you may be afraid or too angry to risk seeing what would happen if you venture out. If you fail to see the economic opportunities that others, who assume abundance see, you may not see the value in getting the best possible education you are capable of or of developing those personal and character skills that are necessary to take advantage of the opportunities that are there.

When you combine that kind of incapacitating thinking with the impossibility of attracting capital necessary for economic growth to dysfunctional geographic areas we have a perfect storm leading to failure for all involved.

That is a big challenging problem, but who, other than Christians are equipped to take it on? We know that Christianity, as the ultimate truth about all of reality, is capable of solving these problems. We know that Christian based free market economic solutions work and we know the Christian based moral and character traits that are necessary for success. God has asked us to be the salt and light in the culture to share this knowledge and solve problems. What are we waiting for? We need to get more involved with people, especially those who are disadvantaged, to help them understand the various specific gifts God has given to each of them; to help them understand economic principles that work and to appreciate the wonderful country they live in where there is so much opportunity available to them.

A case study of the free enterprise system in action

Let's look at a theoretical case study of the free market in action. This should help us get clarity about what the free market system really is, and how it works. In so doing, this will give us a chance to think about whether the free market is, in fact, consistent with a Christian worldview. Perhaps it will give us a chance to think about how much government involvement in the free market might be appropriate.

I am going to pose a lot of questions along the way, which I won't necessarily attempt to answer, because the answer won't be the same for all of us; but the questions should challenge you to think about a variety of factors.

Let's say that a middle aged couple, Phil and Amy, come up with an idea for a business. They are empty nesters now after raising four kids. Using their parenting experience, and the spiritual gifts God has given them, combined with what they have learned through their various work experiences, they want to start a parenting magazine. They realize how much of a challenge parenting is, in this days and age, and they really want to help people who are struggling.

I assume you would agree that you would want an economic system that would allow them to do this without too much interference from the government.

Of course, it takes money to start a new business, especially a publishing business with printing, mailing, and marketing costs. They think they will need \$200,000 to get the business launched.

They really believe in their idea. They are willing to take a risk. That is what entrepreneurs do in a free market system. So they go to their bank, and take out a second mortgage on their house. The bank will benefit by being able to invest its' cash asset to get a return in the form of interest.

What if the government controlled the bank? Do you think they might say- Hey, if we are going to lend you money, we should have something to say about what you are saying in your magazine. At least, we're going to have some input on how much you pay your employees.

Phil and Amy also realize they will probably have to work for a year or so with little, if any salary. And they will probably have to work 60-70 hours a week. But, they are up for it. They hope someday to become successful and create some wealth. They believe in the economics of abundance and see a real opportunity. They don't think everybody else's success will prevent them from being successful. In fact, they hope everyone else is very successful in their various ventures, so they will be able to afford to subscribe to their magazine.

By the way, if the government controlled the economy entirely, do you think this business would ever get launched? Who would take the risk, and work long hours for little pay? You realize, of course, that if the government decided to do this business, the government would tell people how they should parent.

It is a lot of hard work, but they get the first couple of issues out, and begin to get some revenue from the first subscribers. They could sure use some help, so they take another risk and hire two more employees.

Ah-we're now up to four jobs being created.

The magazine takes off. Subscribers really love it. Other businesses want to advertise in it to tell the readers about their products.

Over a few years the magazine staff grows to 25 full time employees. Phil and Amy decide to pay for health insurance for their employees. They are making a profit of \$200,000. They pay \$50,000 in federal income taxes, and \$10,000 in state income tax.

How much tax do you think they should pay? There are now making more money than the average person. Perhaps the government should take a lot more from them.

They decide to reinvest their profits back into the business. They start a website, and a blog which are really well received. There is more advertising revenue. Their readers would love to meet them face to face, so they start a seminar and conference business. Their circulation grows to 100,000. They launch two more magazines.

The company grows to \$50 million in sales with a profit of \$3 million. They now employ 400 people. There are \$15 million in salary and wages circulating around the community supporting a variety of local businesses. They spend \$30 million with other companies around the community and the nation for

printing, mailing, marketing, art work, authors, etc. Those vendors are paying federal and state income taxes on the profits they earn from doing business with Phil and Amy's company. Phil and Amy's company pays \$900,000 in Federal income tax, and \$150,000 in state taxes. Five of Phil and Amy's employees have taken advantage of what they learned to start new businesses of their own.

They decide to take their company public, and offer to sell stock in their business to outside investors.

They have created 400 good paying jobs. They are the financial support for 400 families. They are paying increasingly expensive health insurance for 400 families. Their employees are paying significant amounts of federal and state income taxes. Many more good paying jobs have been created with the various vendors they support. Governments are able to provide services to citizens with the taxes Phil and Amy, and their employees, are paying. They are providing a way for others to earn money on their investment in Phil and Amy's company. Perhaps for their retirement. Those investors are paying state and federal income taxes on the dividends and capital gains they earn from their investment in the business. Their success has enabled them to build a million dollar home, which somebody got to build. They are able to travel extensively. Their consumption feeds into the support of a variety of other jobs. Two of the businesses started by the ex employees started are doing well.

How much do you think the government should be taxing them? Are they paying their fair share? What is their fair share? How much government involvement and regulation do you think they should have incurred along the way? Is there a danger that, at some point, the government might have taxed or regulated away their motivation, and they might have quit at that point with what they had accomplished? Would anything have been lost if that happened? What would have happened if the government had gotten greedy at the point when Phil and Amy grew to 25 employees? Has Phil and Amy's success gotten in the way of other people's success, or perhaps has it enabled other people's ability to generate wealth? How would everyone have been better off if the government controlled and dominated the economy?

Certainly some income inequality has resulted, Is that a good or bad thing? I have been thankful for income inequality whenever I have gone looking for a new job. I don't know about you but I have never been hired by a poor person, or even a person of average income so some income inequality is a good thing. Of course, it can get out of hand.

Phil and Amy are sitting at home one night, and turn on MSNBC. The commentators are talking about how people like Phil and Amy are evil, just like they think the United States is evil. They have more wealth than other people. The insinuation is that they must have done something wrong to get it. The government should increase their taxes to pay for healthcare for people who can't afford it. Part of their wealth should be redistributed to others because Phil and Amy have grabbed too much of the limited wealth that is available. The government should increase their taxes to help close the deficit it created, to make Social Security more stable, to make Medicare more financially sound, and so on. There is no doubt that the commentators think government is good, and the free market is evil.

Phil and Amy are stunned.

Do you think God would have a problem with any of this, assuming Phil and Amy have operated with high integrity? Does the economic system in which this took place seem to be consistent with a Christian worldview? How much government regulation and control of the free market do you think is appropriate? Would an economic system in which the government is much more dominant be more consistent with a Christian worldview? We know that an economic system with much more control is consistent with a secular worldview, because every secular society has that kind of economic system. Government systems tend to be wasteful and inefficient compared with competition driven private systems.

Who are the beneficiaries of a free market economy?

There are lots of beneficiaries.

Consumers benefit because there are many companies competing with each other to meet their needs. In a free market economy, companies study the consumer to understand their needs and desires. Then they develop products and services to meet those needs and desires. The only ways companies can compete effectively are to come out with better or cheaper products. In state run economies, government officials decide what will be produced with their limited resources. They operate from the assumption of scarcity, instead of abundance. One of the constants in state run economies is shortages of products and services, along with poor quality. Of course, there is much less innovation in state run economies.

Employees benefit because labor is a limited resource, and companies will compete with each other to get the best employees. In state run economies, governments strive for full employment by creating jobs for everyone that needs one. They don't usually get to full employment. Because of a lack of innovation, employees are often underutilized and bored. They don't really have the opportunity to use all the gifts God has given them.

Investors benefit because they can invest their resources in a variety of business ventures, and create wealth for themselves and their families, and for their retirement. There are not nearly as many opportunities for investment and wealth building inside state run economies.

Business owners and entrepreneurs benefit from the abundance of opportunities to create wealth. They tend to leave state run economies and look for opportunities elsewhere. The competition thing is often exhausting because there is always someone looking to do things better, and cheaper than they are.

Governments benefit big time in a free market economy as businesses, owners, employees and investors are all paying them taxes. When the free market hits a bump, as in the case of our recent financial collapse, for which government was partly to blame, they take a very big hit. Businesses, employees, owners, and investors all earn less, and pay less in taxes. Jobs are lost, so employees pay less in taxes and the government gets less.

Where the free market can go wrong

Capitalism, or free market economies, are astonishingly efficient at creating wealth. Much more so than any other kind of economic system. The good news is that, as a result, there is then a lot of wealth available to be used for a variety of purposes. The bad news is there is no guarantee that the wealth will be used for good purposes. It may be hoarded. It may be used in corrupt ways, either to generate more wealth in selfish ways, or possibly to corrupt government officials. The corruption is more likely to happen, by the way, if the government is large and powerful. There is less reason to corrupt the government if its role is limited. The wealth may be accumulated in corrupt or unfair ways.

Where there is a significant amount of freedom, things can go wrong in two ways. First, because of Original Sin, some people will lie, cheat, steal, and generally gain unfair advantage by not playing according to the rules. Second, some people will simply fall by the wayside. They won't be able to keep up. They may not have the intelligence, education, or motivation to compete. They may have bad health. They may have grown up in dysfunctional families or communities. There are lots of reasons people fall by the wayside, but the reality is that some do.

As mentioned in the *America from a Christian Perspective* portion of this website, John Adams said our form of government was only appropriate for a moral and religious people. This is true because the strong conscience of a moral and religious people keeps evil in check; that otherwise can only be kept in check by governmental force, meaning less freedom. The same is true for our economic system. A free economic system can generate trust, fair play, and beneficial results to the degree that it is operated by a moral and religious people.

For the first couple hundred years of our country's existence, we operated with a foundation of moral and religious people. This enabled us to operate our mostly free economic system with a moderate, but not overwhelming amount of governmental regulation of the system. Our economy became the envy of the world. Opportunity abounded. We made strong progress in opening our economy to women, minorities, and immigrants. Our standard of living increased significantly. Our success enabled us to open our markets to other countries, many of whom copied our free economic principles. They were able to increase their standards of living. The past few decades were a period comparable to the post World War 11 period.

We have to say that, today, America has less and less a foundation of moral and religious people as Christianity is being forced to the margins of our society. Unfortunately, the result is that we are seeing more and more corruption and lack of fair play in the economic system. We certainly saw this in the financial collapse of 2008. Initially, there were reasonable government regulations over mortgage lending. Then, government officials, who wanted to see more lending to less credit worthy customers, injected themselves into the process (through Fannie Mae and Freddie Mac) to provide some level of guarantee to lenders to incent them to lend to less credit worthy borrowers. The lenders, believing they had nothing to lose, and plenty to gain, almost did away with lending standards. Wall Street bankers got extremely greedy, and created a lot of mortgage backed investment products they sold and made a

fortune on. Borrowers wanted to get in on the deal as well. They saw an opportunity to borrow much more than they could have in the past, and some of them started lying to get around even the extremely limited qualifications. The lack of moral behavior throughout the system almost brought our entire economy to the point of collapse.

There are many other examples of bad things that can happen when a free market system is operated without a base of moral and religious people. After the collapse of the Soviet Union, Russia adopted many of our free market economic principles. The only problem is that they didn't have a foundation of moral and religious people to operate it. The result has been somewhat of a catastrophe as organized crime has moved in and taken control, in cooperation with a corrupt government. Other problems we see are, paying outrageous levels of compensation to corporate executives, and mistreatment, and overwork of employees.

What role should Christians play in our economic system?

God gave us Free Will knowing full well, that we would abuse it. He has also committed to working in relationship with us to help us deal with the consequences.

If we think that freedom in politics and economics is consistent with God's desire for His people, it makes sense that He knows those could go badly as well. He not only desires for His people to benefit when things go well, but He also has a role for them to play to keep things from going wrong; and a role for them to play to help those who fall by the wayside. We also know that believers are Jesus' arms and legs in this world. He works through us, so if we don't play the roles He has for us to play, they don't get done.

We play a lot of different roles in the economic system. We are certainly consumers. We may also be business owners, employees, and possibly managers. We are also voting citizens with some input into how much, and what kinds of government regulation or involvement there is in the economy. Some of us may be elected representatives, or employees of the government. We may be investors in various business organizations.

As consumers, we can commit to doing business only with those organizations that operate in morally acceptable ways. That is easier said than done, but we should make an attempt. How many of us are staying at hotels that make large amounts of money on pornography or patronizing retail stores that are openly in conflict with our moral beliefs?

As business owners, we should operate every aspect of our organizations consistent with our Christian beliefs, and worldview. There have been some books written on this subject. I think one of the most helpful things to do is to network with other Christian business owners. There is a real need for us to develop Best Practices in this area.

I had one experience, that in retrospect, I think really makes sense for Christians. In the Bible, God's people are asked not to harvest every last bit of crop from the fields. They are told to leave some in the fields for the needy to come and harvest.

Many businesses put together incentive compensation programs for sales people to motivate them to make the next tough sale. In one of the companies I worked for we created incentive compensation packages for about half the company. It was really successful. It made each of these employees a little owner of a small part of the business. It motivated and rewarded them to achieve to the best of their ability. Of course, the owners benefitted as well from the improved overall performance, even after paying the incentive compensation. It was a win/win situation all around, and I think a great thing for a Christian owner to do. There are many more things Christian owners could do. I am certain that applying Christian principles to business completely will result in higher quality products and services, happy, productive employees, and satisfied and returning customers.

Christians should be the best of employees. We should be committed to using all the gifts God has given us to the very best of our ability. We are called to love our employers, and be completely loyal to them. We should conduct ourselves in moral and ethical ways that are consistent with our beliefs. It should go without saying that we should refuse to work for unethical employers.

As managers, we must be committed to treating our employees in morally acceptable ways, and we should step down from any situation in which we cannot do that.

As investors, we should invest only in companies that are consistent with our moral standards.

We cannot take any shortcuts. We must be willing to stand out like sore thumbs for what we believe.

As citizens, we must support candidates who will support economic policies that are consistent with a Christian worldview. In that regard, we should focus on a candidate's overall worldview rather than on just a few of his or her policies. We must realize that secularism is the biggest danger to our worldview. The last thing we should be doing is supporting people with a secular economic worldview.

Because we know that the United States is no longer made up of as moral and religious a people as we had previously, we may have to be willing to support more government regulation than we have been comfortable with in the past. Our universities are producing more and more people with secular worldviews who believe in relative morality, and who do not acknowledge any source of absolute truth. Without a source of absolute truth, there is no basis for ethics. Everyone makes up the ethics they are comfortable with. These people are pouring into leadership positions in business and government.

One thing we can do is to try to persuade them to belief in our Christian worldview. However, until we make a lot of progress on that front, we'll need to support some increased level of government regulation and control to keep their relative morality from destroying our society. However, to keep the government from becoming too powerful, we are going to have to champion more checks and balances, within the government, to go along with government's increased regulatory power.

How do we support those who fall by the wayside?

While a free market economic system provides the highest standard of living for the most people, there will always be some who fall by the wayside; for a variety of reasons. As Christians, we do not have a choice. God tells us to care for them. How do we do that?

This is a very big subject that we're not going to try to cover here. While many Christians and churches are involved in ministry to the needy, and doing a great job, there are many more who are not involved.

I personally get very frustrated with many Christians, who, when this subject comes up, criticize those Christians who are working in these ministries for being into the "social gospel." What a copout that is. Thank God for the many who are involved. We'll talk a lot more about this in other areas of this website.

What happens when Christians don't fulfill their role in ministering to the needy? The first thing that happens is that secularists step in. Many of them have caring hearts, even though there is not necessarily a basis for caring in their naturalistic worldview, but they are still a product of an historically Christian culture. They see people in need, and want them to be helped. They think the quickest way to get something done is to get the government involved.

When the government gets involved, they do so from a secular perspective. In fact, they increasingly exclude any religious involvement at all on the basis of an unconstitutional concept of the separation of church and state. This gives the secularists a monopoly in an area God has told us we must do.

Christians approach the needy from a spiritual perspective. We do focus on meeting a person's short term needs, yet we emphasize working with them on their internal nature, which is critical for the long term solution of their problems. And we should help them understand Christian based economic principles.

Governments look for things in the environment to blame people's short terms needs on, and seldom help them focus on their internal nature. The end result is that the secular government approach makes the needy dependent on the government for the long term. Secularists actually like that because that dependence keeps them in power. Then, as the government grows more and more powerful, the secular leaders will use their increased power to marginalize Christianity. In the end, we neglect a key dimension of our calling, lose our influence in society, and fall under the control of the secular government.

We are paying quite a price for leaving the social gospel to the government.

Christianity, the Ultimate Truth about all Reality

Most nonbelievers think that Christianity is a narrowly defined belief system about moral matters. They increasingly push us to the margins of society as irrelevant in most matters and they certainly think that

science has superseded Christianity in relation to truth claims. As mentioned above, our belief and claim is that Christianity is actually the ultimate truth about all of reality. That pretty much covers everything.

I would think that nonbelievers would love to see us make that claim because they think it will be easy to disprove. Fortunately for us, it will be impossible for them to disprove it, because it actually is the truth about reality.

The best way to test a truth claim is to hold it up against reality and see how it stands up. By that, I mean does it describe reality accurately and propose solutions to problems that actually work in real life. I have been trying to do just that with regard to economics. Christian based free market economics has created the most successful economic system the world has ever seen. And if it is operated by Christians, using Christian beliefs, it will stand up to any test.

Once we demonstrate to nonbelievers that our claims stand up to reality in specific situations like economics, they will be more open to considering our overall truth claims.

Our government becomes more powerful each and every day. More and more of our economic system is being taken over by the government. There is no question that the government will increasingly exclude Christian influence from the economy as they have been doing in every other area they touch. The only possible way for that to change is for us to fight for the hearts and minds of Americans and win the battle. Unfortunately, we are not even trying hard. We hang out in our churches acting as if nothing at all has changed in the last 50 years; not contending for truth in the marketplace of ideas; not being able to explain the reasons for our belief as Paul did with the unbelievers in his age and not being salt and light to our culture as God has asked us to do.

We may not have much more time to come together as Christians and fight these battles, before all is lost for our children and grandchildren.