

First Wednesday – Economic Policy

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Resource: *Politics According to the Bible* by Wayne Grudem

- A. Our hope is not in government but in the gospel.
- B. Our calling is to work to establish the kingdom of heaven on earth

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1. **Private Ownership of Property and Businesses.** The Bible teaches that government should document and protect the rights of citizens to own private property. **Exodus 20:15 (do not steal), 17 (Do not covet), Lev. 25:10 (year of jubilee, Genesis 1:27 (Image- freedom, ownership)**

The Communist Karl Marx said, "The theory of the communist may be summed up in a single sentence: abolition of private property." Communism is dehumanizing because it takes away human liberty. When government owns everything and controls everything then government can decide what you buy, when you buy, where you live, what job you have. It is very dangerous.

What are we talking about? Is this even an issue in America? Why are we talking about this?

- Coming out of the recession The US government took unprecedented steps to take acquire near controlling interest in some of America's largest banks and the auto industry.
 - Health Care (18% of the nations GDP)- Affordable Health Care now controls to a large extent healthcare in America and has forced many practices out of business.
 - Increasing regulations on how you use your property. Today, Bernie Sanders- "no fracking anywhere in the US." Timbering your own property. Government declaring private lands as protected land and therefore could not be bought, sold, or developed. This hurts economic development and causes us to be energy dependent.
 - **Just consider the US postal system.** When you are using someone else's money you do not make tough decisions.
 - **We should limit government ownership of property and businesses**
2. **The Rich and The Poor.**
 - a. We need to be careful not to assume a person who is rich is bad for being rich. Most rich people earned that money fairly. Waltons- 70 billions, 200 million customers, 7,200 stores, 1.1 million jobs.

- b. Should the government take from the rich and give to the poor? The government should provide some type of safety net to help in cases of urgent need with food and shelter. We do this very well. The government should supply the opportunity for every person to gain the necessary skills and education to create a life for themselves. We do this very well. However, beyond that I do not see anywhere in scripture that would suggest the government take from the rich to give to the poor.
 - c. Jesus would have a hard time finding poor people, by his standards, in American culture.
 - d. You cannot make everyone middle class. If you gave everyone \$100,000 in cash today. Those who are poor today in six months would be poor again. For example, lottery winners. Therefore, you would have to give that money again and again.
 - e. Government handouts will never solve the problem of poverty. If we want to help the poor:
 - i. The church must teach everyone to walk with God so we can make wise decisions
 - ii. Government should provide incentives and appropriate conditions for privately owned businesses to grow and thrive thus creating jobs and opportunity for everyone to work their way out of poverty and gain the dignity and self-respect we all need.
 - iii. We have increased handouts and increased dependence. The handout is not leading them out of poverty but enslaving them in it. Soon there will be so many dependent that they will vote the system into failure.
3. **Taxes**- Should the government collect taxes? (Romans 13) Yes, to provide for the common good but not to redistribute wealth. That just does not work. There is not one historical example where it has worked. Again, think lottery winners.
- 65% are bankrupt 15 years later
 - Lower taxes actually lead to more revenue. Read page 288
 - a. **Corporate Taxes**
 - i. Higher taxes on Corporations are just passed on the consumer. It actually taxes the consumer. In America our corporate tax rate is 40%, second only to Japan world-wide. This is why so many companies are leaving the US.
 - ii. Many corporations pay nothing. Only those who made nothing. What is the alternative, take those jobs and all the revenue to another country?
 - iii. If we are going to compete we need to cut the corporate tax rate in half, 20%.
 - b. **Capital Gains tax**- tax paid on the increase in value of an asset held over a period of time. Again this tax does not help us it hurts us. Read bottom of page 290 This tax should be eliminated entirely. I am paying tax on any income my investment creates why should I also pay tax on the increased value. We are over taxed.
 - c. **Income taxes**
 - i. There is not Biblical justification for paying a higher percentage because you make more. Again, lower taxes do not just help the wealthy they help

everyone. **Luke 10:7**, "The laborer deserves his wages." **Luke 19:17**, "Well done, good servant! Because you have been faithful in a very little, you shall have authority over ten cities."

- ii. Everyone should pay something. 50%, 70 million, pay nothing. If you do not pay taxes you should not be allowed to vote. For example, Daystar. If you do not pay taxes you do not care if the budget doubles or the debt doubles, you do not pay taxes anyway. It is not your problem.
 - iii. Who pays the most? "The rich need to pay their fair share"
 - 1. Top 50% pay 97% of the taxes
 - 2. Top 1% pay 40% of the taxes
 - 3. 1% pays 28% of the taxes
 - iv. The rich are getting richer and the poor are getting poorer. This is just not true. P. 301 graph.
- d. Death Tax- 50%! Get rid of it!

4. Social Security

- a. 7.65-15.% social security tax. When it was created we collected 2% and only 6% of the population was over 65. Over the years we increased benefits to get re-elected and now we are in a mess.
- b. By 2030 there will be 70 million Americans on Social Security
- c. In 1945, 42:1 ratio by 2030 it will be 2:1
- d. Social security and Medicare are already the largest item in the budget. 38% and the number of elderly adults on social security is going to double. Defense for example is 19% of the budget.
- e. Root problem- wastefully paying healthy, potentially productive people to not work.
- f. It must be reformed

5. Health Care

- a. Cost are rising
- b. Companies are bailing
- c. Doctors are going out of business
- d. We did all this for 6% of the population. Can't we address the 6% without changing the entire system?
- e. Just remember the Post Office.