

ECONOMICS FACT SHEET

KEY TERMS:

Capitalism: an economic system based on the peaceful and free exchange of goods and services where all or most of the means of production and distribution (land, factories, railroads, etc) are privately owned and operated for profit

Economic Determinism: The belief that economics (the modes of production and exchange) determines the entire course of history; the social, political, and moral processes of life

Interventionism: Political activity undertaken by a state to influence aspects of economy usually in order to uphold certain moral values

Socialism: An economic system in which the ownership and operation of the means of production and distribution (land, factories, railroads, etc) are controlled by the government. According to Marxism, socialism (i.e. abolition of private property) is the transitional phase between capitalism and communism

Stewardship: The science, art, and skill of responsible and accountable management of resources. Christians believe that God is the ultimate owner of everything and that human beings have been given the responsibility to manage and care for his creation

Universal Enlightened Production: The belief that positive thought creates wealth

KEY FACTS:

- Christians must act on God's commands to help those who cannot help themselves
- Capitalism is the best strategy for defeating poverty
- Capitalism takes human nature into account

KEY VERSES:

Exodus 20:15,17	Acts 4:32-37; 20:35	2 Thessalonians 3:7-13
Proverbs 11:24-26; 16:8; 17:5; 19:17; 21:13; 22:9; 28:27; 29:7; 31:8-9	1 Corinthians 16:2 2 Corinthians 8-9 Philippians 4:12-13	1 Timothy 5-6; 6:6-10, 17-19 James 1:27; 2:14-17 1 John 3:16-18
Ecclesiastes 5:19		

KEY QUOTES:

"Christians need to care about the poor: that is one side of Christian social concern. But they also need to become informed about the relevant philosophical, political, and economic issues that ground wise and efficient policies to help the poor. Unfortunately, many Christians act as though the only thing that counts is intention. But when good intentions are not wedded to sound economic theory, good intentions can often result in actions that produce consequences directly opposite to those we planned."¹

"Just before the collapse of socialism in the Soviet bloc, Lutheran sociologist Peter Berger wrote a marvelous book about the newly industrializing countries of East Asia. These 'little tigers,' or 'little dragons' as they're sometimes called, are part of a capitalist revolution and, as Berger documents, they are defeating poverty at an amazing rate. He compares them to the Third World nations that have tried socialism for the last three

¹ Ronald H. Nash, *Poverty and Wealth: The Christian Debate Over Capitalism*, (Westchester, IL: Crossway Books, 1986), p. 9.

decades and finds that none of the latter have grown, and indeed, that most have moved backward."²

"[A]ll men have different gifts, talents, interests, and abilities. Left free, they will exercise those in different ways and will produce different fruits. The only way to arrive at equal fruits is to equalize behavior; and that requires robbing men of liberty, making them slaves."³

"If poverty (the lack of money) really were what ails the poor, supplying vast amounts of money surely would alleviate it. But after thirty years of Great Society-style, 'War on Poverty' welfare programs—programs that have transferred (in 1990 dollars) more than \$3.6 trillion to the poor—poverty is still winning. We ought to think about that for a minute: In the last thirty years, we gave a million dollars to America's poor nearly four million times over, yet all the while poverty got worse. If the money earmarked for poverty relief in this year's federal budget alone were given to the poor directly, we would have enough funds to raise every man, woman, and child in America above the poverty line and have a cool \$60 billion left over to celebrate our victory."

Nearly 40 percent of those the U.S. government defines as 'poor' own their own homes—homes that have more living space than that enjoyed by most middle class Europeans. 'Poor' ought to retain its earlier definition: the lack of food, shelter, or clothing. And while we are engaged in the task of redefining, we ought to remind ourselves that the definition of compassion is not increased control of private income by government."⁴

"The century-old question—Does any given 'scheme of help...make demands on men to give themselves to their brethren?'—is still the right one to ask. Each of us needs to ask that question not in the abstract, but personally. We need to ask ourselves: Are we offering not coerced silver, but our lives? If we talk of crisis pregnancies, are we actually willing to provide a home to a pregnant young woman? If we talk of abandoned children, are we actually willing to adopt a child? Most of our twentieth-century schemes, based on having someone else take action, are proven failures. It's time to learn from the warm hearts and hard heads of earlier times, and to bring that understanding into our own lives."⁵

KEY ORGANIZATIONS:

Acton Institute | www.acton.org | 616.454.3080 |

American Enterprise Institute | www.aei.org | 202.862.5800 |

Cato Institute | www.cato.org | 202.842.0200 |

Foundation for Economic Education | www.fee.org | 914.591.7230 |

Heritage Foundation | www.heritage.org | 202.546.4400 |

Hoover Institute | www.hoover.org | 650.723.1754 |

Independent Institute: | www.independent.org | 510.632.1366 |

² K. E. Grubbs Jr., "A New 'Liberation Theology' for the World: Faith and the Free Market," *Imprimis*, March 1991, p. 4.

³ E. Calvin Beisner, *Prosperity and Poverty: The Compassionate use of Resources in a World of Scarcity* (Westchester, IL: Crossway Books, 1988), p. 54.

⁴ Michael Bauman, "The Dangerous Samaritans: How We Unintentionally Injure the Poor," *Imprimis* 23, no.1 (1994): 3-5.

⁵ Marvin Olasky, *The Tragedy of American Compassion* (Washington, D. C.: Regnery Gateway, 1992), pp. 232-33.

Library of Economics and Liberty | www.econlib.org | 800.955.8335 |

Ludwig von Mises Institute | www.mises.org | 334.321.2100 |

Property and Environment Research Center | www.perc.org | 406.587.9591 |

KEY PUBLICATIONS:

Freeman Journal | **Foundation for Economic Education** | www.fee.org | 800.960.4333 |

KEY CHRISTIAN SOURCES / CRITIQUE:

Economics (general)

[Online Articles: www.summit.org/resource/essay/economics/](http://www.summit.org/resource/essay/economics/)

Carson, Clarence Buford. *Basic Economics*. Wadley, AL: American Textbook Committee, 1988.

Gregg, Samuel. *Economic Thinking for the Theologically Minded*. Lanham, MD: University Press of America, 2001.

Gwartney, James D., Richard Stroup, Dwight R. Lee, and James D. Gwartney. *Common Sense Economics: What Everyone Should Know About Wealth and Prosperity*. New York, NY: St. Martin's, 2005.

Hazlitt, Henry. *Economics in One Lesson*. New Rochelle, NY: Arlington House, 1979.

Heilbroner, Robert L. *The Worldly Philosophers: The Lives, Times, and Ideas of the Great Economic Thinkers*. Rev. 7th ed. New York, NY: Simon & Schuster, 1999.

Sowell, Thomas. *Applied Economics: Thinking Beyond Stage One*. New York, NY: Basic, 2004.

———. *Basic Economics: A Common Sense Guide to the Economy*. 3rd ed. New York, NY: Basic Books, 2007.

———. *Marxism: Philosophy and Economics*. New York, NY: Quill, 1985.

Capitalism vs. Socialism

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Gilder, George F. *Wealth and Poverty*. San Francisco, CA; Lanham, MD: ICS; National Book Network, 1993.

Griffiths, Brian. *The Creation of Wealth: A Christian's Case for Capitalism*. Downers Grove, IL: InterVarsity Press, 1984.

Nash, Ronald H. *Poverty and Wealth: The Christian Debate over Capitalism*. Westchester, IL: Crossway Books, 1986.

Novak, Michael. *The Spirit of Democratic Capitalism*. Lanham, MD: Madison; National Book Network, 1991.

Schaeffer, Franky, ed. *Is Capitalism Christian? Toward a Christian Perspective on Economics*. Westchester, IL: Crossway Books, 1985.

Soto, Hernando de. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York, NY: Basic, 2000.

Private Property

[Online Articles: www.summit.org/resource/essay/economics/](http://www.summit.org/resource/essay/economics/)

Bethell, Tom. *The Noblest Triumph: Property and Prosperity through the Ages*. (New York, NY: St. Martin's, 1998).

Interventionism/Socialism (critique)

[Online Articles: www.summit.org/resource/essay/economics/](http://www.summit.org/resource/essay/economics/)

Dalrymple, Theodore. *Life at the Bottom: The Worldview that Makes the Underclass*. Chicago, IL: Ivan R. Dee, 2001.

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Hazlitt, Henry. *The Critics of Keynesian Economics*. (1960; Lanham, MD: University Press of America, 1983).

———. *The Failure of the New Economics: An Analysis of the Keynesian Fallacies*. Lanham, MD: University Press of America, 1983.

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Soto, Hernando de. *The Mystery of Capital: Why Capitalism Triumphs in the West and Fails Everywhere Else*. New York, NY: Basic, 2000.

Stewardship

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- Blomberg, Craig. *Neither Poverty nor Riches: A Biblical Theology of Material Possessions*. Grand Rapids, MI: W.B. Eerdmans, 1999.

Welfare (critique)

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- Dalrymple, Theodore. *Life at the Bottom: The Worldview that Makes the Underclass*. Chicago, IL: Ivan R. Dee, 2001.
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- . *The Dispossessed: Homelessness in America*. Ft. Worth, TX: Dominion Press, 1986.
- . *In the Shadow of Plenty: Biblical Principles of Welfare and Poverty*. Ft. Worth, TX; New York; NY: Dominion Press; Thomas Nelson, 1986.
- Nash, Ronald H. *Social Justice and the Christian Church*. 1983; Lanham, MD: University Press of America, 1990.
- Neuhaus, Richard John. *Doing Well and Doing Good: The Challenge to the Christian Capitalist*. New York, NY: Doubleday, 1992.
- . *Welfare Reformed: A Compassionate Approach*. Phillipsburg, NJ; Franklin, TN: P&R Publishers; Legacy Communications, 1994.
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