

The Economics and Morality of Caring for the Poor

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Today, social programs account for about 50 percent of the federal budget—including Social Security and Medicare, which comprise the lion's share of social programs (public housing, public schools, unemployment benefits, job training programs, food stamps, etc.). Total spending on social programs in the United States exceeds \$1 trillion annually.

That massive social spending has done fabulous things. Americans provide some aid and assistance to people who are poor, but living above the poverty line. Social spending then kicks into full gear for those who are at or below the poverty line. Further, what is defined as "poverty" in the United States is a standard of living that is more than 40 percent higher than the average standard of living of the rest of the world.¹ Social spending in this country provides care for the aged, the infirmed, single parents, orphans, the chronically ill, the chronically poor, the temporarily poor, the unemployed, the underemployed, the uneducated, the undereducated, and even for the overeducated. As a society, we go to great lengths to identify and care for those in need and we are extremely generous in defining "need."

Within the next generation, social spending as we know it will cease to exist. Under current rules, Medicare is estimated to become insolvent by 2020, and Social Security by 2040. Already, Social Security represents an unfunded liability of \$11 trillion. As this and the next generation look for viable alternatives to our current social spending, we should consider the moral implications of how we care for the poor.

In the four Gospels, the poor are mentioned on twenty-one separate occasions: four times the poor are mentioned as a fact; six times they are called "blessed" or are singled out as a special group who will receive the Gospel; eleven times, Jesus instructs the listener to give to the poor, or points out someone who has given to the poor, or talks about giving to the poor.

But, at no time, do the Gospels say one should "take" in the name of the poor.

Therein lies an interesting question. Whence comes the holiness of "feeding the poor?" Does it come from the food? Does it come from the poor? Does it come from the rich? I submit that the holiness lies in the communion—the coming together—of rich and poor and that the "feeding" is simply a catalyst for something much bigger. Understand that "food" and "feeding" and "poor" are metaphors for "need" and "aid" and "needy." Anyone who "needs" is poor. And anyone who can provide for the need is "rich." Our pattern of social spend-

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ing reflects this understanding. Social spending in the United States not only benefits the materially poor. It also benefits the uneducated (via public schools), the sick (via Medicare and veterans hospitals), the aged (via Social Security), the spiritually needy (via tax exemptions for churches), and a host of other social needs (via tax deductions for contributions to nonprofit organizations that, collectively, espouse an entire spectrum of causes).

We say that Jesus hung out with "sinners." That's probably not the best translation because he isn't mentioned hanging out with Pharisees and Sadducees (at least not as a group)—and it's those folks he actually calls sinners. Meanwhile, the people with whom he did surround himself—tax collectors and prostitutes being noteworthy for that time—he doesn't call sinners.

Better than saying he hung out with "sinners" one should say that Jesus hung out with the "marginalized"—the folk

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whom society deemed unworthy, the folk who were disenfranchised. Think today of the drug addicts, the drunks, the mentally ill, the fat, the ugly, and the socially awkward. When Jesus talks about loving one's neighbor, what he's talking about is building community—which means bringing in the disenfranchised and recognizing and responding to the divine in them. The church uses the terms “humanize” and “de-humanize.” To “humanize” is to enfranchise a person, to recognize Christ in the person. To humanize is to build community.

The economist, always on the lookout for motivations and behaviors, is interested in why more than half of the references to the poor use the word “give” and none of them use the word “take.” A reasonable possibility is that the holiness in providing for the poor requires giving—the willful act of re-enfranchising, of building community. Further, the giving is not a one-way relationship in which the rich freely give to the poor. The poor also freely respond to the gift so that the resulting dynamic is not the rich bringing the poor back into community; rather the rich and the poor welcome each other into mutual community via the giving of gifts and the giving of thanks. When Jesus calls on the rich to feed the poor, it's because both of them are hungry. Jesus' “poor” are poor because they lack food. Jesus' “rich” are poor because they lack love.

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When we rely on the government to “feed” the poor, we dehumanize the rich by regarding them principally as revenue sources. Rather than encourage the rich to “give out of love,” mandated social programs teach the rich to resent “the government's hand in their wallets.”

The Christian economist will tell us that in relying on government to provide for the poor via taxation and social programs, we de-humanize both the rich and the poor by

breaking the bond between them that poverty forges.² But, when the rich freely give gifts to the poor, and the poor freely give thanks to the rich, and both recognize that both the gifts and the thanks ultimately come from God, then the rich and the poor humanize each other—transforming the bond forged by poverty into a bond maintained by love. This relationship has its model in the Eucharist. The word “Eucharist” means “thanks,” and when we

come together to celebrate the Eucharistic meal, we are both receiving food and giving thanks, and recognizing that both the food and the thanks that we share ultimately come from God.

As we, as a society, contemplate the great change that is coming in social spending, let us keep in mind that the goal of providing for the poor is inferior to the goal of building community. While governments can feed the poor, only individuals can build community.

Notes

1. In 2003, the U.S. Bureau of the Census defined the poverty level for an individual as an annual income of \$9,573 (cf. <http://www.census.gov/hhes/poverty/threshld/thresh03.html>). Excluding the United States, worldwide per-capita GDP (purchasing power parity) was \$6,600 in 2003 (cf. <http://www.odci.gov/cia/publications/factbook>).

2. Putting the moral arguments aside, from a practical standpoint, evidence suggests that reducing the government's share of people's incomes increases charitable giving. Following Reagan's 1981 tax cuts, total private charitable giving rose by sixteen percent more than inflation. Following the 1986 tax cuts, total private charitable giving rose by eight percent more than inflation. Cf. Chao, Elaine, “The Flat Tax: A Charitable Assessment,” *Philanthropy*, May/June 1999.

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