

“It’s Your Money”

by Fr. John S. Rausch

On February 18, 2010, Joe Stack crashed his single-engine airplane into the IRS offices in Austin, Texas. He had struggled for years through several businesses as an independent software engineer, but after 9/11 his anger grew sulphuric as tax dollars went to government bailouts.

From his last web posting, regarded as his suicide note, he raised issues over debt, taxes and his long-running feud with the IRS. His note read: “...as usual they (the government) left me to rot and die while they bailed out their rich, incompetent cronies *with my money* (emphasis added)!” The crash of his Piper Dakota killed Stack and an IRS manager while injuring 13 others.

Joe Stack appeared frustrated because he could not control money. He was angry with the government, because it could take his money through taxes, but he was infuriated with corporations and the Catholic Church because they could keep their money through tax breaks. Beyond anger, however, Stack demonstrated a narrow understanding of earning money and a limited appreciation for the common good.

In 1980 Ronald Reagan first posed the campaign question, “Are you better off today than you were four years ago?” The question shifted the emphasis from the common good with concerns over better schools, less crime and public services to individuals’ buying power. Today on the campaign trail many politicians frequently rail against increasing taxes with, “It’s your money, not the government’s.” Ideas like this matter profoundly because they set up a dichotomy between individuals and the government rather than promoting a community of “We the people.”

Warren Buffett, one of the wealthiest men in America, reflects an honest humility about his wealth when he says, “Society is responsible for a very significant percentage of what I’ve earned.” He stresses that his ability to earn money directly benefits from the vast depth of knowledge and technology accumulated in the US compared to other people in the world or previous generations of Americans.

A child born in America, for example, receives a gratuitous head start compared to a child born in Haiti. Educational opportunities, health care, even sanitation represent gifts to the newborn, unearned by the child, but accumulated over generations for the common good. With these elementary gifts society pays an unearned “social wage” to every citizen in the country.

Productivity gains over the years within a society also contribute considerably to a person’s earnings. Knowledge and technology built over the decades enhance the production capacity of each worker. A person today working the same number of hours as a person in 1870 will produce about 15 times as much economic output because of this “productivity bonus.”

“It’s your money” makes a pithy bumper sticker, but economist William Baumol calculates “nearly 90 percent...of current GDP was contributed by innovation carried out since 1870.”

Buffett believes that we in the U.S. overtax the poor and undertax the rich. He himself pays a lower percentage of income in payroll taxes than his receptionist. Yet, currently the top 1 percent of U.S. households earn more than the bottom 120 million Americans combined!

The question remains: since so much of our earnings are attributable to what we inherit from our collective history, doesn't solidarity and the common good demand a fairer distribution of wealth?

The Gospel contrasts the ease of a camel passing through the eye of a needle with someone rich trying to enter the kingdom of God (Matt. 19:24, and parallels). Perhaps the rich believe they earned it, it's their money and they have only slight responsibility for the common good.