

An Introduction to Christian Economics



Faith Baptist Christian Academy

Economics Course 2019-2020

This course is a study of the major concepts and theories of economics from a Christian perspective, including Supply and Demand, the Workings of a National Economy, Economic Systems, Forms of Business Ownership, and the Different types of Competition.

[http://www.gavirtuallearning.org/Resources/SharedEconomics\(SSCopy\).aspx](http://www.gavirtuallearning.org/Resources/SharedEconomics(SSCopy).aspx)



Goal:

This class will help all of you to develop the real-life skills you need to succeed:

- to realize the importance of developing your skills, working hard, smartly, and honestly to earn, spend, save and invest money
- to realize the importance of generously giving to God's work
- to be able to think critically and choose wisely as consumers, savers and investors, responsible citizens, productive members of the workforce, and effective participants in the global economy.

Objectives:

- Demonstrate an understanding of Biblical teachings about money, using that to develop your personal plan to donate some of your earnings to the Lord's work.
- Develop knowledge and understanding of important economic issues and terminology.
- Demonstrate the ability to apply and integrate the diverse knowledge gained in this class by completion of an individual semester project encompassing real financial issues in life.

Class Style:

- Biblically Based Program Infused With Godly Character
- Individualized Approach
- Self-Instructional Mastery-Based Curriculum

Economics Project:

- Worth 25% of your grade – the same value as the final exam.

Economics Assignments:

Unless otherwise noted, PRINT out your essay (do not email unless permission is granted to do so). If your printer is out of ink you can email your essay to yourself and print it out at school in the computer lab/library BEFORE class. Spelling and punctuation errors will reduce your grade (use "spell check"). Late/missing assignments can be made up at any time for 50% credit.

<p>ASSIGNMENT #1: <u>1/2 sheet handwritten OR 10 lines typed</u>. You just won \$1,000,000 in cash on a TV game show. Describe 5 things you would do with the money AND WHY.</p>	<p>DUE DATE: ____ No Later Than Sept. 15 ____</p>
<p>ASSIGNMENT #2: <u>1/2 sheet handwritten OR 10 lines typed</u>. What is <u>your</u> personal philosophy of giving money to God (Christian ministry), AND, how are you currently doing with that philosophy? Discuss/elaborate/why?/why not?</p>	<p>DUE DATE: ____ No Later Than Oct. 15 ____</p>
<p>ASSIGNMENT #3: <u>1/2 sheet handwritten OR 10 lines typed</u>. Interview <u>your</u> parent/grandparent/aunt or uncle (in person OR by phone) asking them what is THEIR personal philosophy of giving money to God/Church/tithe/offering/missions AND WHY. Then, ask them how they believe God has blessed them as a result of their giving. Maybe they have cool stories from the past to share with you.</p>	<p>DUE DATE: ____ No Later Than Nov. 15 ____</p>
<p>ASSIGNMENT #4: Use the <u>INSTRUCTION SHEET</u> below to find answers to 8 questions to ask your parent/guardian.</p>	<p>DUE DATE: ____ No Later Than Dec. 15 ____</p>

INSTRUCTION SHEET:

Investigate the following 8 Items in your house ask your parent or guardian ALL 8 of the Questions below.

- Aspirin (for fever or aches and pains) - What brand do you have at home? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)_ Common options: Tylenol. Excedrin. Bayer, Bufferin, Anacin_
- Vehicles - what brand does yow parent(s)guardian drive? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)-
- Computer - what brand do you have at home? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)
- Washer/Dryer - what brand do you have at home? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)
- Toothpaste - What brand do you have at home? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)
- Shampoo - What brand do THEY use? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)
- Toilet Paper - What brand does your parent buy? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)
- Gas Station - What brand does your parent use? WHY that brand and not the others? (be specific - don't accept ·1 don't know as an answer)

<p>ASSIGNMENT #5: Interview YOUR parent, grandparent, aunt or uncle about Taxes. Ask these 7 questions:</p>	<p>DUE DATE: ____ No Later Than Jan. 15 ____</p>
<ol style="list-style-type: none"> 1. Do they complete their own tax forms or use a tax professional - WHY? 2. Do they itemize their deductions on Schedule A or take the standard deduction? If they use Schedule A - - why? What deductions make that form work for them? 3. Do they usually get an income tax refund or do they usually owe more money? 4. Approximately how many hours does it take them to do their annual tax forms, or how much time preparing for and meeting their tax professional. 5. What do they think is the easiest part of completing their annual tax forms? 6. What do they think is the hardest part of completing their annual tax forms? 7. To fill up the page - write any other general comments they have about taxes and what changes they think America should make regarding taxes. 	
<p>ASSIGNMENT #6: Interview YOUR parent/grandparent/aunt/uncle about saving and investing experiences and recommendations. The objective is NOT to try to pry details which the person may not want to talk about, but rather to discuss in general the topic and give your interviewee an opportunity to share some ideas and learning experiences (good and maybe even bad) with you.</p>	<p>DUE DATE: ____ No Later Than Feb. 1 ____</p>
<p>Questions:</p> <ol style="list-style-type: none"> 1) What different types of Savings and Investments have they had? (banks, CDs, stock, real estate, gold coins, etc). 2) Of these, which did they like best and least AND WHY? 3) If they HAD to pick one company's stock to invest in starting today and keep it for 10 years before selling, what would you pick AND WHY? 4) Based upon their experiences and knowledge, what advice would they give to you for how TO and NOT TO invest? 	
<p>ASSIGNMENT #7: Imagine America 20 years into the future. What do you think might be really hot? What might be things people MUST HAVE which may be available in the future? For example: 20 years ago few would have predicted cell phones. Come up with 1, 2, or 3 ideas (however many you need to fill 15 typed lines), and EXPLAIN to me what it is AND WHY you think your ideas could be hot. For example, people who invested in Apple 10 years ago, or Monster Energy Drink 8 years ago, or Netflix 6 years ago - made a lot of money. What's next?</p>	<p>DUE DATE: ____ No Later Than March 1 ____</p>
<p>ASSIGNMENT#8: Interview YOUR parent/guardian about credit cards - asking the following questions:</p>	<p>DUE DATE: ____ No Later Than April 1 ____</p>
<ul style="list-style-type: none"> - Do you think I (student) should have a credit card soon? Why or why not? - If not soon, when? And why then? - What are the advantages <u>AND</u> disadvantages of owning credit cards? - Do they have an interesting story (good or bad) to share about their use of credit cards or a story about a relative or friend (no names - anonymous is good). 	
<p>**EXTRA CREDIT ASSIGNMENT: Complete the "When Can I Afford To Be On My Own" worksheet. This worksheet will be given to you upon request.</p>	<p>DUE DATE: ____ No Later Than May 1 ____</p>

Basic Economic Concepts

Wants - Simply the desires of citizens. Wants are different from needs as we will see below. Wants are a means of expressing a perceived need. Wants are broader than needs.

Needs: These are basic requirements for survival like food and water and shelter. In recent years we have seen a perceived shift of certain items from wants to needs. Telephone service, to many, is a need. I would argue, however, that they are wrong.

Scarcity - the fundamental economic problem facing ALL societies. Essentially it is how to satisfy *unlimited wants* with *limited resources*. This is the issue that plagues all government and peoples. How do we conquer the issue of scarcity? Many people have thought they had the answer (see Marx, Smith, Keynes, etc.) but the issue of scarcity still exists.

Factors of Production/Resources - these are those elements that a nation has at its disposal to deal with the issue of scarcity. How efficiently these are used determines the measure of success a nation has. They are

- **Land** - natural resources, etc.
- **Capital** - investment monies.
- **Labor** - the work force; size, education, quality, work ethic.
- **Entrepreneurs** - inventive and risk taking spirit. This is a rather new addition to a traditional list.

The "**Three Basic Economic Questions**" - these are the questions all nations must ask when dealing with scarcity and efficiently allocating their resources.

1. **What to produce?**
2. **How to produce?**
3. **For whom to produce?**

Economics - Economics is the study the production and distribution of goods and services, it is the study of human efforts to satisfy unlimited wants with limited resources.

Opportunity Cost - the cost of an economic decision. The classic example is "guns or butter." What should a nation produce; butter, a need, or guns, a want? What is the cost of either decision? If we choose the guns the cost is the butter. If we choose butter, the cost is the guns. nations must always deal with the questions faced by opportunity cost. It is a matter of choices. Resources are limited thus we cannot meet every need or want.

Free Products: Air, sunshine are and other items so plentiful no one could own them.

Economists are interested in "**economic products**" - goods and services that are useful, relatively scarce and transferable.

Good: tangible commodity. These are bought, sold, traded and produced.

Consumer Goods: Goods that are intended for final use by the consumer.

Capital Goods: Items used in the creation of other goods. factory machinery, trucks, etc.

Durable Goods: Any good that lasts more than three years when used on a regular basis.

Non Durable Goods: Any item that lasts less than 3 years when used on a regular basis.

Services: Work that is performed for someone. Service cannot be touched or felt.

Consumers: people who use these goods and services.

Conspicuous Consumption: Use of a good or service to impress others.

Value: An assignment of worth. The assignment is usually based upon the utility (usefulness) or scarcity of the item (supply and demand).

Utility: capacity to be useful.

Paradox of value: assignment of the highest value to those things we need the least, like water and the highest things we often don't need at all like diamonds. Why do we do this? Good question. I do not have an answer.

Wealth: the sum collection of those economic products that are tangible, scarce and useful.

Productivity - the ability to produce vast amounts of goods (economic products) in an efficient manner. The American capitalist economy is productive because:

- We use our resource efficiently.
- We specialize to increase efficiency and productivity.
- We invest in Human Capital (our labor pool)

Wealth Preservation

Preserving the wealth needed for accomplishing God's purposes

Once you have acquired the wealth necessary to accomplish the purposes the Lord has placed before you, the second phase of wealth management is to preserve the wealth needed for accomplishing these purposes. However, as God's stewards, we need to be constantly mindful of the need to maintain an eternal perspective in our investment decision-making. Martin Luther (1483-1546), reformer and theologian, captured the importance of this when he said, "*I have held many things in my hands, and I have lost them all. But whatever I have placed in God's hands, that I still possess.*" Identifying and surrendering to God's plan for your wealth preservation is a key component of your Family Stewardship Philosophy.

A clear vision in this area can help protect you from falling prey to the subtle trap of putting your hope and security in your wealth, rather than in your Heavenly Father.

1. Prayerfully consider what the following scriptures tell us about the subject of wealth preservation: Genesis 41:46-53 Matthew 6:19-24 Luke 12:13-21 | Timothy 6:17-19 Ecclesiastes 2:4-11

2. What do you think are the fundamental differences between the purposes for wealth preservation you read about in the Genesis 41 passage as compared to the Luke 12 passage?

3. Why have you preserved some of your wealth?

4. Have you set a goal as to what amount or percentage of your wealth you will preserve? If so, what is that goal?

5. How do you balance your goals and purposes for wealth preservation with your faith and reliance upon God's providence?

6. What scriptures or principles guide you in determining how you are to preserve your wealth?

Econ "Vision" worksheet

Name: _____ Pd: _____

"Vision" in investment lingo = "Being able to tell whether a new product or service will be successful when it first appears."

Yes or No, do you think the following new goods or services will be a BIG HIT? Meaning, will it become very popular and makes lots of money for the company?

1. iPhone6 ___Yes ___No

Coming out in 2014.



2. Killer Whale Submarine ___Yes ___No

Available now for \$100,000. It's a two person sub with a 255 motor that can hydroplane up to 50 mph on the surface and 25 mph underwater.



3. LED Fabrics (glowing clothes) ___Yes ___No

Named "lumalive" this technology integrates LEDs – Light Emitting Diodes – into fabric which allows cloth to display graphics, text and animation. Michael Jackson wore it in his last "This Is It" movie.



4. Levitating Hover Scooter ___Yes ___No

Flies a few inches off the ground, traveling at 15 mph, and runs for one hour on unleaded gas. Came out in 2012. Price: \$13,000.



5. iWear by Qmadix ___Yes ___No
Shatterproof sunglasses with built-in earbuds for iPod and iPhone connected via Bluetooth to the phone or iPod in your purse or pocket. Also works for phone calls. \$299.



6. 3-D TV ___Yes ___No
With holographic 3-D TV you can watch TV from any angle you choose, gazing into the depths of your TV. Estimates are it will for sale by 2020.



7. Memory Pill ___Yes ___No
Intended primarily to treat people with diseases like Alzheimer's, it is also expected to be used by students to retain information for tests and final exams. No cost estimates are available yet. May be ready by 2014.



8. Holographic Cell Phone ___Yes ___No
Estimated to be available in 2016.



REFLECTION:

What were the 2 key things that YOU thought about in determining yes or no?

1. _____

2. _____

“Money Tests for Three People”

Each student in Economics is assigned the following three people mentioned in the Bible. Answer all questions below:

A) The Rich Young Ruler**Matthew 19:16-26****Questions:**

1. Was he a doing a pretty good job being religious? How do you know?
2. What was the one thing Jesus said he lacked? What does that mean?
3. What reward did Jesus offer to him if he agreed to Jesus' instructions?
4. How does this relate to YOU now, as a high school student?

B) The Rich Fool**Luke 12:13-21****Questions:**

1. What was his main fault?
2. Why do you think he assumed he needed so much?
3. Why SPECIFICALLY did Jesus call him a fool? You should carefully read what the Bible says. What reward did Jesus offer to him if he agreed to Jesus' instructions?
4. How does this relate to YOU now, as a high school student?

C) The Poor Widow**Mark 12:41-43****Questions:**

1. How did Jesus evaluate (judge) the offerings of the people? What was His criteria?
2. Based on this teaching, HOW should Christians decide how much to give to God?
3. How does this relate to YOU as a high school student?

Does the Bible say Christians Should Tithe 10%?

Google search this question for about 10-15 minutes. Look for evidence pro and con (for and against). Type the best 2 supporting arguments for each side. Then answer the question at the bottom. Be prepared to discuss and debate the question.

YES the Bible says Christians should tithe 10%

Supporting evidence #1:

Supporting evidence #2:

NO the Bible does not say Christians should tithe 10%

Supporting evidence #1:

Supporting evidence #2:

Finally... what do you think the correct answer is? And why?
