

I view economic inequality as a moral issue. I call it economic injustice. As we all know the accumulation of wealth is so very disproportionately bent in favor of those with the most. As a result, the middle class, the mainstay of our society, is shrinking and the poor seem to be getting poorer. I hate to mention the presidential elections, but this cycle shows how close we are to having this issue tear country apart.

A moral perspective is bolstered by language in our founding documents, “all men are created equal” (for the moment, I, like most Americans, will ignore that assertion excluded non-land owners, women, blacks, the native peoples, and probably others). Those words...all created equal... are behind the words depicted on the lady in the harbor “give me tired, your poor, your huddled masses yearning to breathe free...”

I understand how a banker or corporate manager, even some form of politician, would much prefer we talk about economic inequality as a necessary by-product of the free market system of economics, a key component of capitalism. It's just the way it is and must be. In other words, it's not about morality, it's about economics, capitalism, the best economic system that exists.

That argument has veracity. Lets stop to consider a fundamental component of free market capitalism. In our economic system every month the government measures the unemployment rate. What many of us may not know, is, in our system full employment assumes 5% of our population is unemployed. That's what's assumed to be required for our system to function at it's best....5% of its people unemployed. Fewer unemployed people risks causing inflation. It's an issue of supply and demand.

So you could rightly say, our economic system *requires* inequality or what could otherwise be called economic injustice. How we frame it is a question of perspective. What's at the center of the conversation, the market or the people?

When Columbus—discovered these lands, there was no such thing as owning land. Land used to be shared by people, plants and animals. The land was generic. It later gained a much more narrow definition. The shared land of the generic became property of the particular, me/mine. After the native peoples were driven off their lands, land became a commodity. Land was determined to have economic value. How wonderful was that---you take something from someone else for free and then assign it monetary value. That process marched across the country, creating the means to accumulate wealth.

Our economic system has inequality baked into its fundamentals. The very nature of capitalism requires winners and losers, profit and loss. My argument, is not, I repeat, is not, against capitalism per se. My moral objection is to the way we allow capitalism to operate in our society.

Every society requires some form of economic structure, some mechanism, some system to manage the exchange of goods and services. In some systems, one exchanges beads for a goat or cows for a wife. Different systems have different names and different norms; barter, communism, socialism and capitalism.

My views of capitalism changed significantly while in seminary. I took three courses with Nimi Wariboko. He's Nigerian, a Pentecostal minister, pastor of a congregation. If I remember correctly, he had an MBA from the Wharton School of Business (worked on Wall St) and a PhD in Philosophy from Princeton, specializing in Paul Tillich with a focus on ethics. One of his books is titled "God and Money".

I came into his course on Economics and Ethics believing capitalism was fundamentally unethical. It was a seminar with just a handful of students. We argued. He won. He convinced me capitalism does indeed have ethics and told me, I just preferred a different set of ethics. Ethics, meaning a systematic definition of right and wrong, good and bad. In this case, the ethics we discussed was what was best in order for capitalism to work well.

I came away believing our cultural problem wasn't capitalism per se, but the way we do capitalism, the way we've employed capitalism. Our government has failed to employ the economic system of capitalism to the best benefit of its people. Instead it has allowed capitalism to prey on its citizens.

Our society has placed money at its center and people have been pushed towards the margins. Money has become a god. My moral compass places people at the center and makes money less important.

It's placing money at the center that allows our government to even have a concept of banks being "too big to fail". It's placing money at the center that allows Flint Michigan to poison its own people by providing them water containing dangerous levels of lead.

But I get ahead of myself. I want to name the four fundamentals of Capitalist economics. These are the four component parts that make capitalism work.

- 1) Private property, it's the basis of buy and sell exchanges.
- 2) Rule of Law. Property rights would have no meaning if there was no law to enforce one's rights.
- 3) Free Market, where the prices for goods and services are determined by the open market, based on supply and demand.
- 4) Socially necessary inequality. The natural outgrowth of a free market is there will be winners and losers.

This is why I need to explain that capitalism is not only an economic system. It is also a social and political system. While the government has little control over the market, it should have a primary concern for the rights and welfare of its citizens.

This is where our system has broken down. This is where, as a nation, we've fallen down. We've allowed money to corrode our sense of morality and justice. It's become a cancer, destroying us from the inside out.

We do not have a system where there is equal justice for all. It may have never existed. Money plays a tremendous role in our so-called justice system. From who can afford bail to the quality of legal defense, money plays an essential role. Money and one's place in society often plays a significant role in who gets arrested in the first place.

In 2008 and 2009 the world's economic system was almost destroyed by the worst financial crisis since the Great Depression of the 1930's. The Financial Crisis Inquiry Commission concluded that the financial crisis was avoidable and was caused by "widespread failures in financial regulation and supervision", "dramatic failures of corporate governance and risk management at many... important financial institutions", "a combination of excessive borrowing, risky investments, and lack of transparency" by financial institutions," ... and "systemic breakdown in accountability and ethics", among other reasons.

One person has gone to jail and was required to return ill-gotten gains. According to the Financial Times, US and international financial institutions have paid fines and penalties of more than \$100 billion since the financial crisis. These firms pay fines for illegal behavior but continue to pay their top people multi-million dollar bonuses. Does that seem just when companies are considered people when it comes to free speech?

Meanwhile, the little guy on the corner gets arrested with a bag of dope, goes to jail for years, has a felon's record and loses his rights to vote. There is something very wrong here. There is something immoral and unjust in these dynamics.

We have normalized economic injustice built on a set of beliefs about the primacy of profit, the primacy of the marketplace.

Interest rates for payday lenders can reach 300%. Why would our government allow such a thing? Because it is driven by the dollars that support the politicians who make the laws! And because it only affects poor people with little or no political clout. Pure and simple. Pure and simple!!!

Why do people who have lots of money pay the smallest amount of interest? And those least able to afford it pay the most. We say it's all about risks associated with the free market. From a pure profit perspective, that makes complete sense. Capitalism does require winners and losers. But from a human perspective, it is completely upside down. We privilege money and profit at the expense of our people. People who are often referred to as "they".

The impact of economic inequality, economic injustice is not only seen in actual dollars and cents. It is also seen in its impact in our communities. Studies show that both race and class are significant indicators of how much toxic air pollution individuals face in the United States with minorities receiving nearly 40% more exposure to deadly airborne pollutants than whites.

A University of Minnesota study looked closely at the rates of pollution exposure by race, income, education and other key demographics to establish the key predictors of how specific populations are impacted across the country, state by state. They concluded both race and income matter. And that race matters more than income.

David Cay Johnston, in *Free Lunch*, tells us while new rules have been written to enable executive pay schemes, rules have also been written that ensure harsh treatment for the poor. He says “coping with the foul effects of poverty costs us a half trillion dollars a year, a sum greater than what we spend on Social Security benefits. Poverty wastes minds and spirits, robbing all of us of opportunity. “

He says, “when poverty fosters crime it costs us more than the harm done to our wallets and our safety.... It makes us less trusting, less willing to see ourselves as one people in our in our great experiment in self-governance. “

We would be wise to use the financial crisis and the blatant abuses discovered at the Wells Fargo bank, to educate ourselves about capitalism. This is not a people problem, it is a systemic problem. If you put foxes in the henhouse, they do what foxes do. If you reward maximum profit, maximum profit will be pursued, often at any cost.

Political will must be used to drive the internal operations of an economic system. That’s why slavery and prostitution have largely been excluded from the way we allow money to be made. The ethical is political. And it’s political will, political force that will bring better ethics to our economic system.

The concept of inherent worth and dignity is a good place to plant our flag. It’s a solid foundation from which to exert ethical and political will. We, as UUs, should be leading the march for justice.

May it be so, Amen.