

# BIBLICAL ECONOMICS TODAY

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## TITHERS AND BEGGARS

by Gary North

There is a scene in the movie, "Gandhi," in which Gandhi is returning to India triumphantly from South Africa in 1915, where he had succeeded in gaining increased civil rights for Indians living in that nation. He is being driven in an open automobile through a poverty-stricken section of the city — the only scene of real poverty in the movie. Hands are outstretched to those in the automobile. The beggars have no idea who this man is, or what these rich people are doing. They just raise their hands up, trying to get a few coins.

Are beggars a national tragedy for India? No doubt, but not simply because there is poverty. The tragedy is that these people were (and are) professional beggars in a nation that is known for its professional beggars. It is a profession handed down from parents to children. In a nation devoid of God's law, men beg for a few coins directly from the rich, and the rich, because they are not taught to tithe, do not develop professionally managed charities that might teach poor people the skills necessary to raise them out of poverty.

India is held captive by a philosophy of earthly despair, the rejection of material existence, and an acceptance of life-long caste barriers. There is no widespread belief in the possibility of an escape from poverty in a single lifetime. There is also little hope for one's heirs, given the caste system. The only hope for a better life is another life which is higher on the scale of being, through reincarnation (karma). The ultimate goal is the attainment of nirvana, an escape from the bonds of the material realm into Absolute Nothingness.

Time is not linear for the Hindu; it is cyclical. Only as a result of the influence of Western philosophy, which is future-oriented and which holds to a belief in linear time, has the thinking of a minority of Indians been altered. Where Eastern philosophy reigns, there is little possibility of material progress, in time and on earth, as a result of one's own thrift and hard work. So some men are taught to beg, including "holy men," for that is their legitimate calling. In a world without long-term material hope, begging is an acceptable way to feed oneself.

Begging is not limited to the East. I visited the Dominican Republic a few years ago. I was on a tour of Santo Domingo in a bus. The English-speaking tour guide warned us not to give the children any money, under any circumstances. "They leave school and beg because they can make more money in their youth by begging from tourists. But they can never get the training they need to advance themselves or our country. You only encourage them to waste their lives when you give them anything. It will destroy them." She understood the weakness of Americans. She understood the effects of guilt and pity.

### Professionals and Amateurs

The beggar has no long-term hope, or else, in the case of a professional hustler, he is manipulating his victims. He either accepts the fact that efforts to improve his station in life are

futile, or else he is simply "milking the suckers." Either attitude is destructive of individual and social progress, for each asserts that productive labor is less profitable than begging. Labor is seen as unproductive and unreliable as a way to better oneself, either because labor is viewed as being essentially unrelated to success, or else it is viewed as "the way of suckers."

Those who toss a coin to the beggar are also deluded. They assume that they are helping someone in the only way possible: short-term alms, with no strings attached, including personal contact before or after. Charity is therefore seen as a one-shot affair, with no necessity of prior thought or planning concerning the possibility of offering an escape hatch from poverty for at least some of those afflicted. Charity is therefore seen as random and inconclusive — a brief and almost meaningless event in the life of both the beggar and the giver. The meaninglessness and long-run ineffectiveness of charity in the eyes of the rich is matched by the meaninglessness and long-run ineffectiveness of labor in the eyes of the poor.

What good does such giving do? Does it train up a generation of givers who know how to build institutions that will relieve the burdens of undeserved poverty? Does it offer long-term hope for the poor? Does it give a feeling of mutual understanding between the donor and the recipient? Does it involve both the giver and the beggar in a community, even a community of self-interest? Does it reinforce men's faith in a benevolent social order? Does it weed out professional beggars? Does it impose requirements on the beggar that will increase his self-respect? Does it impose requirements on the giver that will increase his discipline in giving, his devotion to the community, or his personal concern with the lives of the poor? The answer is the same in each case: no.

Begging becomes a way of life, a profession. In contrast, giving becomes an undisciplined practice, a way of avoiding commitment to the poor by offering a systematic way of escape from poverty to self-disciplined poor people. We get **professional beggars** and **amateur givers**. It should be the other way around.

### Mutual Exploitation

In the secular, formerly Christian West, the rise of socialism has accompanied a decline of tithing. Voters have sensed that the lack of disciplined giving is a threat to the community. They have voted for wealth redistribution programs which will be manned, it is hoped, by professional givers, and financed by compulsory taxation. But this has not worked to help the poor; the administrators of the compulsory social welfare programs have themselves become professional beggars rather than professional givers. Worse; they have become professional beggars in the name of the poor, while they have absorbed in administrative costs the funds supposedly designated for the poor. (Prof. Walter Williams has estimated that by taking the

annual budget for the Bureau of Indian Affairs in 1976, and distributing it equally among the American Indians, each Indian family would have received a grant of about \$30,000. Instead, they were kept in poverty under the "care" of the bureaucrats.) The compulsory nature of these programs has made it very difficult for those who finance them (taxpayers) to monitor them, restrict them, or abolish them.

Rich and middle-class voters have accepted this because they feel guilty. They know that charity must be systematic, but they have abandoned their responsibility to monitor the programs. They pass on this responsibility to politicians and bureaucratic administrators. They pay far more than a tithe to the State in exchange for hoped-for relief from the pangs of guilt. This is **the politics of guilt and pity**, to use Rushdoony's felicitous phrase. But taxpayers can never pay enough; the poor keep multiplying — literally and figuratively — and the bureaucrats have an incentive to keep them multiplying, at least those under their administration.

Compulsory charity creates a "demand" for poverty, and the market responds by creating newly discovered (or newly defined) poor people. The poor get handouts, and a permanent economic incentive not to escape. If they work at low-paying jobs, they get taxed. But welfare benefits are tax-free. So they stay on welfare.

Socialist wealth redistribution programs offer something for everyone. Rich and middle-class voters get temporary relief from guilt. They pay their "fair share," and they want all other voting groups to pay theirs, too. Everyone must be subject to increasing levels of taxation, in order to enforce true "fairness." Program administrators get jobs and a sense of doing righteously for their "generosity" and "dedication" in the name of the poor. They have increased their self-esteem, not to mention their salary level, with other people's money. Poor people get money to get them by from day to day — just barely.

Everyone seems to win, yet everyone ultimately loses. Tax evasion tempts the rich and middle class. Resentment grows against the poor, and against working members of all groups bearing the same color or accent as those groups that are perceived to be on welfare. The poor resent being in bondage to bureaucrats, living dependently on the money of the "wealthy." They feel trapped, as indeed they are. And the bureaucrats (who fear the competitive market and feel trapped in their government jobs) ultimately encounter resistance from welfare recipients and taxpayers, and then inflated money destroys their living standard and their pension hopes. Mutual exploitation fails.

#### Private Bureaucratic Begging

The State is not the only participant in the begging business. Private charitable organizations also come before the rich and middle class. They come in the name of the poor and downtrodden. They have to put on an effective show, since they cannot compel the transfer of funds, unlike the State's paid beggars. So they design special appeals letters, all scientifically calculated to separate the recipients from their money. In the upper right-hand corner we see a starving waif. The left-hand column has a three-line "hook," such as:

By the time you finish  
reading this letter, little  
M'Gumbo will have starved!

Actually, little M'Gumbo (or some other waif) would have starved three years ago, when his picture was taken, and this successful promotional campaign began. Little M'Gumbo is a symbol — a symbol of poverty — and also a motivation device. There will be a never-ending stream of little M'Gumbos, whether you send in a check or not, and there will be a stream of appeals letters until this approach no longer keeps advertisers and administrators employed.

If the charity or ministry actually finances the purchase of **tools and training** for poor families, and if it preaches a view

**of time and law** which instills faith in hard, smart work, meaning faith in future earthly blessings for those who work hard and smart, then there will be fewer little M'Gumbos in the future. But until the potential donor gets a detailed report on the content of the preaching and the nature of capital delivered to the starving waifs and their families, he should keep a tight hold on his checkbook. He must guard against becoming the economic equivalent of the rich tourist, passing out alms from a bus window, yet not even enjoying the fun of the trip. Instead of paying for a nice cruise to an "exotic foreign land," he winds up paying for more fund-raising campaigns and permanent employment for administrators. The Postal Service will get a larger percentage of his donation than little M'Gumbo and his starving friends.

The donor needs to know: Is the fund-raising campaign designed to temporarily heal his conscience, or to permanently heal a pagan social order? If the program is not designed to elevate families out of poverty through increased productivity, and ultimately to elevate the whole mission field out of poverty through increased productivity, then the donor should find a different charity. The closer the program is to indiscriminate alms-giving, as distinguished from culture transformation, the more it is like a subsidy program for beggars. There will always be beggars in pagan societies. There will always be a sense of futility for most people concerned: donors, administrators, and recipients. The only long-term beneficiaries will be those who write the fund-raising letters.

#### Segregating the Rich

Modern industrial societies are marked by the segregation of neighborhoods in terms of income. In the American South, rich and poor neighborhoods may be only a few hundred feet from each other. When rich people owned the blacks who lived in poorer housing, they did not worry about nearby slums. But the farther away the community is from slavery, either geographically (in the North) or chronologically, the farther away rich people prefer to live from slums.

This segregation is more than geographical. It is cultural and social, although more social than cultural. Poor people may drink the same brand of beer and cheer for the same local football team as rich people. They may watch the same stupidly inane television shows. But they are socially segregated. The very poor seldom come into social contact with the very rich.

In a non-Western society that permits begging, rich people may occasionally be asked for a few coins. This was even true in Western societies in the late 1960's, when the "hippies" and cultural drop-outs were on the move all across the United States and Europe. But even in this case, these were voluntarily poor people, and their social origins were not the slums. They felt that they could approach the middle-class businessman or the well-dressed man on the street. The only blacks who did this regularly were well-dressed "Black Muslims" who were selling *Muhammed Speaks*. They were entrepreneurs in the guilt business.

The rich man has intermediaries between him and the poor. The richer he is, the more intermediaries he has. David Rockefeller and his brothers have always had the massive bureaucracy of the Rockefeller Foundation in between them and the very poor, and the Foundation generally finances research or projects operated by middle-class academics who claim they are working in the name of the poor. As a matter of fact, the closest economic contact the Rockefellers have with America's poor is through the free market. Their holdings in the oil and petrochemical industries link them to the poor who buy their products. When the poor man drives up to the Exxon station and fills his tank, the enormous capital base of the Rockefellers has just assisted the poor man in attaining his goals. (As Will Rogers said in the 1930's, Americans are the first people who have ever driven to the poorhouse in an automobile.)

The rich congregate with the rich. This is understandable, since the rich presumably have similar interests. But it is not simply acquired tastes that link them. Another factor which is not generally understood is their understandable desire to escape from the beggars.

When the rich man in Gandhi's day drove through the slums in an open vehicle, he expected the upraised hands of beggars. He could take along a few coins to toss out, or else he could look the other way. Perhaps he might invest in a luxury closed sedan, in which he could hide in the back seat and not see the beggars or be seen by them. But in the West, beggars with upraised hands are not seen on the streets. The beggars of the West are middle-class professionals with "upraised programs." They are not confined to the slums, which rich men can avoid; they are everywhere.

If rich men tithed to the local church, or to some charitable association, then the phrase, "I gave at the office," would have more meaning. It would provide the rich man with a legitimate answer to the professional beggars who beseege him: "Please speak with the deacons (or the program administrators); they handle my charitable contributions."

Men, whether rich or poor, seldom tithe to voluntary associations. Instead, they vote for civil governments that extract far more than 10% from them in taxes. Voters say, in effect, "Contact the State; I can't be bothered." This tends to increase the power and authority of the State. It weakens the power and authority of those who fail to tithe.

If all men tithed, then professional beggars could go to organizations that were far more systematic in their distribution of funds than the unsystematic distribution of the impulsive rich. The income of the rich, compared to the income of the aggregate middle class, is not that significant. It would pay professional beggars to make their appeals to the agencies that receive their support from middle-class titheers. After all, if you are a beggar, you "go where the money is." Middle-class professional beggars would be able to design appeals for the agencies which represent middle-class tithing.

Today, however, the tithe is not a way of life. The middle-class beggar knows this, and because he has access to the rich man in a way that poor beggars do not, he is continually devising "pitches" to the rich. Instead of trying to hit all the middle-class potential donors with millions of direct-mail appeals for funds — a very expensive operation — he designs a fund-raising program which involves personal contact with a few rich men. He "sells himself" in person; he relies upon his ability to draw a verbal picture of the wonderful effects that can be expected from his particular program. He appeals directly to the ego of the rich man. "Subsidize me, and you can save the world and thereby become a legend — an immortal."

The man who begins to pitch the rich Christian assumes that his personal project is **the** project to "save Western civilization" or "bring the gospel to the whole world in one generation." All it needs is a little seed money, a start. But if it is such a good project, why does it require the vision and bank account of one key man? Why will the project sink or swim because of the decision of one rich man? Why isn't the program self-attesting? Why should it require a personal visit from the pitchman in order to sell it?

Professional promoters know the truth: the competition is stiff. Everyone is trying to persuade this man that his project is **the** project. The man is inundated with proposals, day and night. The professional knows that his written proposal is simply one among many, and he thinks he needs to make his presentation unique. He relies on his own skills as a salesman to give his world-transforming idea an edge on the competition.

Every middle-class "friend" of the rich man is potentially a pitchman. The rich man therefore has a tendency to surround himself with people with similar incomes. They are not continually pitching him for gifts. They may offer him financial deals, but at least these can be easily evaluated (the famous "bottom line" of the accounting statement). Eventually, these

projects either go bankrupt or else start producing a return on the investment. They are not eternally open-ended, money-absorbing projects, as feeding the little M'Gumbos of the world always is. The open mouths of the poor, and the open mouths of their middle-class representatives, mean an open wallet for the guilt-manipulated rich.

Eventually, the rich grow tired of the appeals. They sense, quite accurately, that they are being singled out by the professional beggars. It is not the responsibility of the rich to save the world through charity. It is not anyone's responsibility to save the world. Men do not possess such power. Men have a responsibility to tithe, not save the world. But because so few men tithe, and because the professional beggar gets "more bang for the buck" by personally pitching a rich man, the rich man is besieged by pitchmen. His lack of systematic giving to responsible, inquiring, and dedicated charitable intermediaries makes him the "fair target" for those who expect him to respond to an emotional appeal. He is treated by the middle-class professional beggars worse than rich men are treated by poverty-stricken beggars. The middle-class professionals keep coming back and imposing themselves on the rich. At least the poor beggars stay in their slums or on the sidewalks (if there are sidewalks). They do not call the rich on the phone continually to arrange an appointment to see them. Poverty-stricken beggars only hold up grasping hands; they do not manipulate guilt-ridden non-titheers endlessly, day and night, as middle-class professional beggars do.

So the rich surround themselves with personal barriers. They get unlisted telephone numbers, not to hide from the poor, who would never think of calling them and asking for money. They hide from the middle-class professional guilt-manipulators who call morning and night. I know. That is what I have had to do in my own life to escape from them. When the word gets out that you are both generous and a big enough target to be worth the time, the phone calls start coming. Write one check, and the beggar will return; you now have a moral responsibility in his eyes to write another, especially if the project is floundering as a result of its poor design or the incompetence of its administrators.

Another astounding feature of the "upraised project" approach to begging is that the beggar can hardly believe it when you tell him "no." Americans especially are just not used to hearing this word. They have real difficulty in accepting it. The beggar frequently responds with some variation of, "Where is your vision? Can't you see that this program — my very own pet program for which I am devoting my whole life (this week) — could be the world's turning point? You're as much as telling me, 'Tough luck, world; my money is more important to me than you are.' How can you say no?" So the victim is faced with a dilemma. Say yes, and get suckered again, or say no, and suffer guilt pangs. "Maybe this really was an earth-shaking project, and I just let it get away. Woe is me."

I prefer to change my telephone numbers every few months. It takes a while for them to track me down again. But they eventually do. I live in a world of endless pitches. I hate to think of what Bunker Hunt goes through. Every time a conservative or Christian project schemer designs some new disaster to "save America," he immediately thinks, "I've got to get in to talk with Bunker." I know; they keep approaching me to get me to introduce them to Bunker. I never do. Besides, he gave at the office. And gave, and gave, and gave.

### Self-Defense

What should the rich man do to defend himself? There is one rule, above all other rules: **tithe**. Give the money to the local church, and let the deacons use the bulk of the money for charity. If the church starts using the money to build new buildings, or taking on more debt, he should speak to the deacons, and, if necessary, transfer his membership. For a church to become dependent on a rich man's gifts is to become dependent on the whims of that man. It is bad for both the rich

man and the church. But if only 10% of the rich man's giving goes for operating expenses, and the remainder goes for charity, or for **non-permanent, time-specified, non-dependent, debt-free** projects, then he can legitimately send **all** pitchmen to talk with the deacons. He escapes the endless din of the professional guilt-manipulators.

Second, he should establish this rule: **all requests by all pitchmen for an immediate personal appointment must be rejected.** In order to get an appointment, the pitchman must send in two copies of his proposal, one to the deacons (or screening committee) and the other to the rich man (to keep the screening committee honest). An additional rule must be established: **no new information not contained in the original proposal may be introduced in the personal meeting.** New information must be submitted in writing in advance. No "emergency" demands.

Why all this preliminary material? Because **pitchmen sell themselves and their enthusiasm, first and foremost; their projects are only secondary.** They rely on their ability to get the rich man to sign the check that day, in response to a well-designed pitch that appeals to his emotions. Pitchmen assume that rich men are unsystematic givers — generally, an accurate assumption. They use this weakness to their advantage.

The third rule follows from the second: **never sign a check without rereading the written proposal at least 24 hours after the personal interview is over.** Never, ever sign a check in the presence of the pitchman. When you see the proposal on paper, its flaws will be more apparent. The emotional pitch of the personal interview will wear off in 24 hours. Any time the pitchman speaks to the potential donor, the donor must wait a full 24 hours before making any commitment. Always. The rich man may choose to reject any pitch at any time, but he must never respond positively before waiting a day, and preferably a week. A month would be better.

Warning: delaying a decision is not a legitimate excuse for inaction. This should not become a crutch to defer making a decision. **There should be no "pocket vetoes" in charitable giving.** Deferring a decision is just that: a deferral; a decision should eventually be made. Tell the pitchman yes or no. Delaying a decision for the sake of delay is not to become an easy way to say no.

The fourth rule applies to repeat visits from promoters. Is the visit a request for additional funds for the earlier project? If so, **demand that a detailed accounting of prior expenditures be provided in advance.** An accountant who is familiar with non-profit organizations and projects should probably go over the figures, in order to determine if the money is being spent effectively. What percentage is going for salaries and travel, for example? Was there a cost-overrun? If so, what happened?

The fifth rule is always wise: **try to donate the money on a matching-fund basis.** This forces the promoter to go out and locate more donors, which spreads the risk of failure. It also enables the promoter to use a very effective pitch: "If you, Mr.

Second Sugar Daddy, will give us the money, you get more bang for your buck." If the project is a good one, the second donor will appreciate this greater leverage. Rich men understand the use of financial leverage, "other people's money."

The sixth rule is the most difficult to impose: **establish criteria for performance in advance of the visit.** What are the program's "success indicators"? These are not often self-evident. Feed little M'Gumbo this week, and what happens next week? Or next year? What are the proper criteria? They may not be apparent either to the donor or the program director. The pitchman may dream up a few of them, but examine them very closely. Then tell him that the agreed-upon objectives must be met before another pitch is ever scheduled. You give him fair warning: you intend to monitor the program.

What these rules provide are minimum standards for preserving the honesty and efficiency of any proposed charity. They will enable rich donors to re-establish their legitimate advance authority over the final uses of their money. Once it is spent, it is gone, but until that check is signed, the man with the money is in total control and is totally responsible. Tossing coins or checks at beggars is simply irresponsible behavior. It has to stop if society is ever to be reconstructed in terms of biblical standards.

### Conclusion

The problem with beggars will not go away soon. We need to substitute comprehensive, universal tithing by all men for the erratic, unsystematic, emotion-filled giving of today. We need to filter all charitable giving through institutions that teach men that poverty need not be perpetual, that there are ways to get out of poverty, and that these ways involve lifetime thrift, hard work, smart work, and honest dealing. Professional beggars must be hemmed in by **guilt-free living** and **systematic giving.**

We must also replace the compulsory charity of the State with multiple charities organized by competing administrators. No group should be given a monopoly of control over the tithes of the people. Every charity should be subject to scrutiny by the donors. There should be no concept of tenure, implied or explicit, associated with charitable giving. There are no free lunches, either for the poor or for the middle-class administrators who act on behalf of the rich and the poor, as well as for themselves. Charities must perform in a competitive market.

Deacons must learn how to screen the professional beggars. They must take on the responsibility of giving away money, in order to free the donors from this time-consuming, emotion-laden responsibility. The givers are to keep on earning their incomes; they are not to become full-time pitch-receivers. The pitchmen can mail them letters, of course, but letters can be tossed away without offending the pitchmen. Tossing pitchmen out of an office — which is what many of them need — seems impolite. So they should not be let inside a donor's office in the first place, without prior screening.

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