

# *JustMatters*

*Topical matters for justice seekers.*



**Living Solidarity:  
Government, the Federal Budget and the Common Good**

*For Protestant and Ecumenical groups*

## **Participant Packet**

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**Note:** The Table of Contents indicates where there are reading assignments from various books, pamphlets and online sources. For the purpose of this module, JustFaith Ministries has created a special page where participants can just click and read (or print) the online readings as well as the “web surfing” assignments for each of the sessions. Participants are encouraged to “Bookmark” this link for easy access:

[http://www.justfaith.org/programs/resources/jm\\_livingsolidarity-prot-readings.html](http://www.justfaith.org/programs/resources/jm_livingsolidarity-prot-readings.html).

Link to online evaluation:

<http://justfaith.org/JustMatters/Evaluations/livingsolidarity-prot.html>

## Welcome and General Overview

Thank you for engaging in one of the most important conversations of our time. Together we are at an important juncture. *What kind of society do we wish to become?* Underlying this important values question are lively debates and disagreements about the role of government, what functions we should share together, and how do we pay for them.

This module is designed to engage and inform. It is hoped that together you will learn from each other and deepen your awareness of faith values in the public square.

Budgets? Government? Taxes?

*“Don’t be stupid. That’s what we have politicians for.”*

*“Government is not the solution, it’s the problem.”*

*“We’d be better off if you kept your money in your pocket, rather than sending it to Washington.”*

One of the deep divisions in our society and culture today is over attitudes about government. It appears there are wide differences over the proper role of government and what functions it should play. ***Even when there is wide agreement over a government responsibility – such as protecting the environment – there is not consensus about how we should pay for it.*** Have you ever heard anyone declare: “That is a great tax!”?

*Who is government? Are we government? Has government been hijacked by other interests? When we talk about “government,” do we mean federal government – or local government? Should we approach government like consumers – looking to get as much as we can at the least cost? Get the most services but pay the least taxes?*

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*What is government's role in maintaining a level playing field? Or helping the poor? Or ensuring social justice? What values should we bring into a discussion of government, budgets and taxation?*

Opinion research shows that most people in the U.S. have a reactive dislike of "government" and "taxes." But when people are given an opportunity to reflect on the functions of government that are important to them, there is support for many common functions of government such as education, environmental protection, assistance to poor and disabled, enforcement of anti-discrimination laws and much more.

Opinion research also shows that most Americans are not knowledgeable about basic civics education, such as the different roles and functions of government. One learning objective of this module is to develop a nuanced and informed understanding of the different levels and functions of government.

Research also shows that we are largely misinformed about the different kinds of taxes there are, and how our money is spent. When asked, "What are the biggest federal government expenditures? – a majority of Americans respond "welfare" and "foreign aid." Yet these are two of the smallest expenditures.

The goal of this JustFaith Ministries module is to create a space for a thoughtful discussion about the role of government and how to pay for it. The desire is to help people move beyond reflexive biases and myths.

The **learning objectives** for this module include:

- Reflect on contemporary budget and taxation issues in light of Scripture;
- Deepen our understanding of government functions and budgets – where the money comes from and where it goes;
- Reflect on the underlying values in current policy discussions;
- Engage participants as informed citizens and disciples.

The goal of this module is dialogue, not debate. We're not here to change each other's minds but to be deepened by one another's experiences. We are also here

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to examine questions related to government and the federal budget. Questions such as:

What are the most important functions of government?

- What is working well and what should be changed?
- Is government too big in some areas, or too weak?
- Should some existing functions be done by other entities, like business or charitable nonprofit organizations?
- Why is there mistrust of government? What can be done to increase trust?

These are complicated questions that require thoughtful engagement. Too much power has been ceded to economists and experts, yet it is vital that we engage our **values** (not our opinions) in these great conversations.

Scripture reminds us that we are responsible for ourselves and for the common good. One of the ways in which we do this is through the government that we all hold together. To the extent that there are things we don't like about government, we are responsible for changing it. Being informed and engaged about budget issues is part of our civic and religious responsibility. For example, many have suggested that the incidence of waste, fraud and abuse of government programs is a justification for dramatically shrinking and privatizing of government. The reality is that any human institution that doesn't have proper checks and balances, transparency and accountability, is subject to human failings. As we will discuss within the module, the incidence of waste and abuse in government is no more prevalent than in the corporate business sector or private nonprofit sector.

There is a strong current of thinking that we should dramatically reduce the role of government and move toward a society of individual security rather than shared responsibility. We will explore ways in which common assumptions and underlying principles about budget and taxation may contradict or conflict with Biblical teachings of solidarity and the common good.

**About your facilitator/s:** Please do not expect your facilitator to be an expert on this topic any more than you are. Their job is to bring the group together, facilitate the group discussions, and keep those discussions moving.

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Many of the questions the group will discuss are complicated and subject to a wide variety of opinions. Even among the experts, there are conflicting interpretations of the facts. All participants are responsible for helping to expand the knowledge of the group and pursue answers to questions.

Many of the questions the facilitator will ask are open-ended and values-based. There may not be a right or wrong answer. Sometimes you will find yourselves agreeing to disagree. The important thing is that you faithfully and respectfully engage.

### Features of the Module Design

#### A. Mini-Interviews

As part of preparation for each session, participants will briefly interview a person they do not know on the theme(s) of the module. These should not be viewed as an onerous or weighty assignment. The interview could be a two-minute conversation standing in the line at the grocery store - or something more involved. As preparation for each module, there will be a different question. The goals of the interviews are:

- To have participants move outside their own “comfort zone” and talk to a stranger about the topic, gaining an additional perspective or insight
- To bring additional voices and views into session conversations

#### B. Journaling/Reflection

Participants will be expected to keep a small journal of their reflections on each of the sessions and the themes or topics covered. These are private and not for sharing, unless a participant eagerly wants to share something in their journal. Facilitators might occasionally ask participants to notice if they have any particularly strong feelings or notice any changes occurring in their thinking and/or feelings.

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C. Web Surfing

Those who have comfort with the web are encouraged to do some “web surfing” on the themes of different sessions. There is a vast treasure trove of knowledge and opinion online. In preparation for some sessions, there are possible websites to

visit and articles to look at. If you are not connected or comfortable with using the Internet, try to pair with someone who is for this learning activity. Everyone is encouraged to engage in this activity in some way.

D. Glossary

You may find it helpful to have a tax and budget glossary at your finger tips as you go through the sessions. A good glossary can be found at: <http://www.bread.org/hunger/budget/glossary-of-budget-terms.html> and a more extensive one at <http://www.taxpolicycenter.org/briefing-book/glossary/>. These link are also on the readings web page.

E. Determining Next Steps

An important goal of all JustFaith Ministries programs is that each group that registers for a program will both take some action steps following the program and consider staying together for ongoing formation, transformation and collective action. As you go through this *Living Solidarity: Government, the Federal Budget and the Common Good* program, keep a running list of questions, ideas and resources that surface for you individually or the group collectively and bring the list to the final session. This will help you participate in the discussion of possible next steps.

Note: Please bring your Participant Packet to each of the sessions.

## SESSION ONE: Our Experience with Government



### Note to Participants

Writer and organizational consultant, Meg Wheatley, says you cannot be afraid of someone whose story you know. A great deal of this session is aimed at getting to know one another, learning more of each other's stories, building trust for the discussions that lie ahead, and describing some of your own experiences and attitudes related to the government and taxes.

The goal of this popular education curriculum is to move beyond reflexive biases and myths and to create a space for thoughtful dialogue, not debate, about the role of government and how to pay for it. We are not here to change each other's minds, but to get to know one another and be deepened by one another's experiences as we explore the question, *"What kind of society do we wish to become?"*

### Session One Outline and Notes

#### Objectives for Session One

- Create a safe space to explore attitudes and feelings about government
- Learn from one another's experiences with government and the common good.

#### Opening Prayer

**Introductions:** Participants will respond to the question, "What were you raised to think about government and the role of government."

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**Group Guidelines and Role of Facilitator/s**

Please read the following guidelines carefully. It is important for each participant to individually consider which of these guidelines will be easiest and which will be most difficult to abide by. Be sure to take this Participant Packet with you to the next session so you will have a copy of the guidelines with you.

**Group Guidelines**

God has created each of us uniquely, and I recognize that everyone comes to this experience with very different backgrounds, experiences and views. I commit to honoring differences, knowing they add to the richness of the group's experience.

God frequently speaks through the unfamiliar and different. I will listen intently in order to fully understand different points of view, realizing these other views will help with my own evolving journey.

Listening is an act of love and care. I will always listen respectfully and constructively (i.e., no side conversations, no interruptions).

How I treat another person is much more important than my opinions and perspectives. I recognize that we are looking for truthful insights within potentially different views. I will respectfully seek clarification of other perspectives to add to my understanding. If I choose to disagree with a perspective that is different from mine, I will do so and lovingly.

Because God made us, all persons are of equal importance and value, and all voices are important. I commit to assuring that everyone has an opportunity to speak, and I will encourage others to speak before I speak again.

God has given each of us gifts that are given in the hope and expectation that these gifts will be shared. I will participate fully and share in the responsibility for the group's process and experience

Trust and respect must be offered as the terms of being together in this journey of faith. I will honor that everything shared within this group is to stay within this group.

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**Role of Facilitator**

Facilitators for the module are learners along with the participants. Participants should not expect the facilitator(s) to be experts, to have answers to questions posed or questions asked.

**Signs of the Times and Impacts of the Great Recession**

These activities are designed to ground the group's conversation in the stories and experience of group members.

**Break**

During the break, everyone will need to fill in their contact information on a Participant Roster Form

**Announcements**

One important announcement will be about the online evaluation that you will be asked to complete after Session Eight. Since this is an online evaluation, participants are encouraged to take a few notes about the books, the film, the activities and sessions during the course of the module and to use these notes when it comes time to complete the evaluation at the end of the program.

**Personal Survey**

Participants will take a personal survey about the government, taxes and the federal budget. It will not be shared with anyone. The survey will be collected and then returned to participants during Session Eight.

**Discussion**

This discussion is intended to further draw out individual experiences and questions.

**Closing Prayer**

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## SESSION TWO: Common Good and Shared Responsibility



### Preparation

In preparation for this session and each additional session, participants need to engage in the following activities. Note that the questions for the interviews and journaling as well as the topics for the web surfing will change for each session, just like the readings.

#### Reading Assignments:

- Being a Civil Voice in Uncivil Times (link on web reading page)
- Ron Sider, *Fixing the Moral Deficit*, Chapters One and Two.
- Walter Brueggemann "The Liturgy of Abundance, the Myth of Scarcity" (link on web reading page)
- "Three Forks of the Commons" (link on web reading page)

#### Interact/Reflect

1. Mini-Interview. Ask someone you don't know: What is something you appreciate that government does? What is something you hate about what government does? Be specific.
2. Journal: What are three government activities that you've benefited from in the last week? What is a way government has interfered with something you wanted to do in the last month?

## Session Two Outline and Notes

### Review the Learning Objectives for Session Two:

- Review some key principles of Scripture as they relate to economic life and the common good.
- Prepare for subsequent discussions about the role of government, government budgets, and taxation that are grounded in religious teachings
- Introduce the concept of the commons or commonwealth

### Welcome and Opening Prayer

#### Introduction

Following a short reading, you will be asked to briefly share one or two ways that government has touched your life in the last 24 hours.

### The Bible and the Economy

#### Break

#### Announcements

#### An Introduction to the Commons

The group will explore and discuss the concept of the commons or “commonwealth,” an important framework for understanding the role of government.

### Closing Prayer

## SESSION THREE: Who is Responsible?



### Preparation

Participants are asked to prepare for Session Three in the following ways.

#### Reading Assignments

- Ron Sider, *Fixing the Moral Deficit*, Chapter Three.
- *Christian Understanding of the Economy in an Age of Growing Scarcity* (link on web reading page)

#### Interact/Reflect

1. Mini-Interview: Ask someone you don't know well: Is there a tax you don't mind paying? What is the worst tax, in your opinion? Be specific as to type of tax – local, state, federal?
2. Journal: What are your reflections on the discussion of the commons from Session Two? The commons is often invisible. What form of commons do you see around you? What are the human-created commons that are important to you and your life?

#### Web surfing

1. Read about the organization, On the Commons (see link at web readings page)
2. Read about Wikipedia as a Commons (see see link at web readings page)

### Session Three Outline and Notes

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**Review the Learning Objectives for Session Three:**

- Explore the social teaching, or statements, of various churches on two themes: common good and engagement in public life.
- Consider the different levels of government and their current allocation of functions and responsibilities
- Begin to explore the moral dimensions of public sector budgeting
- Consider our own priorities along side of actual federal budget priorities

**Welcome and Opening Prayer**

**Activity: Common Ground**

Facilitator will lead the group in a short, stand up activity.

**Activity: Government and Social Responsibility**

During this segment, the group will look more closely at two themes that appear in church statements:

- The common good.
- Engagement in public life

Each principle will be discussed in relationship to the government and social responsibility.

**Break**

**Announcements**

**Activity: Different Levels of Government**

Sometimes when we use the word “government” we are lumping together lots of different levels of government and functions. During this activity, the group will explore the different branches of government and their different roles and duties.

**Closing Prayer**

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**SESSION FOUR: My Priorities, Our Budget**

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## Preparation

Session Four focuses on the budget as a moral document. It is designed to engage participants in dialogue and activities around the federal budget, the priorities of the federal budget, and participants' own values and priorities related to the budget. The second half of this session explores one of the major objections that people have to paying taxes and supporting the public sector – concerns about waste, fraud and abuse.

### Ready for a Glossary?

You may want to have a tax and budget glossary at your finger tips as you wade into the next several sessions. You can find one at <http://www.bread.org/hunger/budget/glossary-of-budget-terms.html> and a more extensive one at <http://www.taxpolicycenter.org/briefing-book/glossary/>. These links are also on the reading assignments webpage.

Participants are asked to prepare for Session Four in the following ways.

### Reading Assignments:

1. Brian M. Riedl, "How Congress Can Achieve Savings of 1 Percent By Targeting Waste, Fraud and Abuse," The Heritage Foundation, August 28, 2003
2. Peter L. Bernstein, "Don't Like Taxes? Consider the Alternative," New York Times, February 10, 2008

### Interact/Reflect

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1. Journal Reflection: If someone wrote my biography from my spending, what would it say?
2. Mini-Interview: What is one example of government inefficiency, waste or misuse of funds that has personally touched you? How could it be fixed?

**Web surfing**

Go to the Tax Breakdown Project, at [www.taxbreakdown.org](http://www.taxbreakdown.org) or go to the online readings page for this link, and enter the amount of federal taxes you paid last year. Learn about where your tax dollars went.

**In addition, bring 100 pennies (two rolls) to Session Four.**

Session Four Outline and Notes

**Review the Learning Objectives for Session Four:**

- Begin to explore the moral dimensions of public sector budgeting
- Consider your own priorities along side of actual federal budget priorities
- Learn actual allocations of tax dollars and spending
- Explore one of the major objections people have to supporting the public sector –concerns about inefficiency, waste, fraud and abuse

**Welcome and Opening Prayer**

**Activity: My Priorities and Government**

Fun activities that explore **values** and priorities related to the federal budget.

**Break**

**Announcements**

**Discussion: Waste, Fraud and Abuse**

Discussion related to government waste, fraud and abuse, as well as inefficiency in government, the private sector, and the nonprofit sector.

**Closing Prayer**

## SESSION FIVE: Federal Budget, Debt and Responsibility



### Preparation

This session involves watching parts of a documentary released in the spring of 2010. The producers of this film also sponsored town-hall meetings called “AmericaSpeaks” as part of a “fiscal wake-up tour” designed to alert the U.S. public to what the producers see as the dangers of our “reckless” budget policies. The homework reading, “Federal Budget 101,” is one of the background readings provided for these town hall meetings.

Please prepare for Session Five in the following ways.

#### Reading Assignments

- “Federal Budget 101: An Introduction to the Federal Budget and Our Fiscal Challenges,” *America Speaks*, 2010
- “America Speaks’ Misguided Federal Budget 101,” Center for Economic and Policy Research, 2010
- A current article about debt, deficits, or the federal budget (provided by facilitator)

#### Interact/Reflect

##### 1. Interview:

- How big is the U.S. debt?
- When our government needs to borrow money, where does it get the money from?

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2. Journal (reflecting on Session Four): What is the language that people use when they talk about government and taxes? What signs do you see of government inefficiency? Do you have experiences of government functioning well? What makes things work?

**Web surfing** (Links are also at the online reading webpage)

- Concord Coalition: <http://concordcoalition.org/publications/2012/0123/key-questions-voters-should-ask-candidates-jan-2012>
- Committee for a Responsible Federal Budget: <http://www.usbudgetwatch.org/>
- Budget Basics and Resources from Bread for the World: <http://www.bread.org/hunger/budget/additional-resources.html>

Session Five Outline and Notes

**Review the Learning Objectives for Session Five:**

- Expose participants to timely debate over the fiscal health of the U.S. government and economy
- Deepen awareness of federal budget, annual deficits and federal debt
- Foster critical thinking on economic information with counter points of view

**Welcome and Opening Prayer**

**Activity: Film - Part One**

The group will watch part of a documentary that was created by a non-partisan foundation and aired on PBS. One important distinction to keep in mind as you watch the film is the difference between “Deficit” and “Debt.”

- **Federal Deficit** refers to the annual gap between revenue and expenditures. It is the *annual* shortfall. For the last few years, it has ranged from \$200 billion to \$400 billion a year.
- **Federal Debt** refers to the *cumulative gap* or the “depth of the hole” we are in. As part of the 2008 bailout of Wall Street banking firms, Congress raised the national “debt ceiling” – the top amount to borrow – to \$11.3 trillion.

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**Activity: Common Ground**

You are invited to engage this activity with a sense of fun and to help keep the energy moving throughout the activity.

**Break**

**Announcements**

**Activity: Film - Part Two**

The group will watch the remaining segments of the documentary, followed by discussion.

**Closing Prayer**

## SESSION SIX: Paying for Government and the Common Good



### Note to Participants

*Woe to those who make unjust laws, to those who issue oppressive decrees, to deprive the poor of their rights and withhold justice from the oppressed of my people.*

Isaiah 10:1-2

Our government should be an instrument of correcting inequalities, not a means of institutionalizing them. Good stewardship demands that the federal budget share the burdens of taxation, according to one's ability to pay, and distribute government resources fairly to promote a just and equitable society.

Interfaith Working Group on Domestic Human Needs (2007)

The first five sessions of this module have examined questions of governance and responsibility. During these sessions, we talked about government and budgets. In the next two sessions we will explore issues around how we pay for government and the common good and the mechanisms for taxing and paying for government. Our different levels of government are necessary for the smooth functioning of our society – and to protect the common good. There are healthy disagreements about what functions government should play and at what scale. But, there is a broad consensus that we should have public schools, national parks, military defense, public infrastructure, state universities and much more. There are thoughtful people who believe that government is too large and should not take on all the functions it does. There are other thoughtful people who believe that certain functions of government should be enlarged.

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Whatever the function or role of government, we have to figure out how to pay for these functions. These next two units look at questions of who should be responsible for paying for what functions of government.

During this session, the group will create a human representation of the growing income inequalities of the last three decades; discuss the difference between progressive and regressive tax systems; dramatize how low- and middle-income people pay a higher percent of their income in state and local taxes than wealthy people do; and engage in a current tax debate about the taxation of capital gains.

### Preparation

Please prepare for Session Six in the following ways.

#### Reading Assignments

- Ron Sider, *Fixing the Moral Deficit*, Chapter 5.
- Matt Gardner, "Progressive Taxes are a Good Deal," from *Ten Excellent Reasons Not To Hate Taxes*, pages 10-21
- Susan Pace Hamill, "They're a Moral Obligation," From *Ten Excellent Reasons Not to Hate Taxes*, pages 22-30
- Robertson Williams, "The Very Rich Really Are Different," Tax Policy Center (link on web readings page).
- "Where the Money Comes From" (in participant packet)

#### Interact/Reflect

1. Mini-Interview: Do wealthy people pay too much in taxes? Should we preserve the tax cuts to high income households?
2. Journal (reflecting on Session Five): Having watched the documentary, "I.O.U.S.A.: *Solutions*," consider the role of debt in your personal life and our country. Are people more tolerant of debt now than they used to be? Why? Why not?

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**Investigate**

Make a list of state and local taxes that you pay. What are different types of sales tax? How much are they? What purchases are included and excluded from your state sales tax? For example, does your state tax purchases of food?

**Web surfing**

Visit the web sites of a wide variety of organizations working on tax policy, such as those below. (All of the links below are also listed on the online reading assignments webpage.)

- Institute for Taxation and Economic Policy ([www.itepnet.org](http://www.itepnet.org))
- Americans for Tax Reform ([www.ATR.org](http://www.ATR.org))
- Tax Policy Center ([www.taxpolicycenter.org](http://www.taxpolicycenter.org))
- Fair Tax ([www.fairtax.org](http://www.fairtax.org))
- Citizens for Tax Justice ([www.ctj.org](http://www.ctj.org))
- Working Group on Extreme Inequality ([www.extremeinequality.org](http://www.extremeinequality.org))

Session Six Outline and Notes

**Review the Learning Objectives for Session Six**

- Delineate the difference between “progressive” and “regressive” taxes
- Debate several types of taxation – deepening our understanding and opinions

**Welcome and Opening Prayer**

**Activity - Uneven Income and Who Pays: Distribution of Responsibility**

This segment is a graphic and kinetic (physical) activity that can be both engaging and memorable. We are thankful to United for a Fair Economy ([www.faireconomy.org](http://www.faireconomy.org)) for sharing this activity, which was adapted.

**Activity Description:**

Part One of the activity (“Uneven Income”) illustrates changes in family income over a several year period. Part Two (“Who Pays?”) illustrates the main point of this section: that state and local tax obligations fall more

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heavily on lower income people than on higher income people. Together these illustrations create a powerful picture.

Activity Objectives:

- To create a human representation of the growing income inequalities of the last three decades
- To illustrate the difference between progressive and regressive tax systems
- To dramatize how low and middle-income people pay a higher percent of their income in state and local taxes than wealthy people do. To engage in a current tax debate about the taxation of capital gains

Definitions useful for this session:

- **Regressive tax:** a tax system that results in a higher tax for the poor than for the rich, in terms of percentage of income. In this sense, a sales tax is regressive even though the same rate is applied to all sales, because people with lower incomes tend to spend most of their incomes on goods and services. Similarly, payroll taxes are regressive because they are borne largely by wage earners and not by higher income groups. Local property taxes can be regressive because poorer people spend more of their incomes on housing costs, which are directly affected by property taxes.
- **Progressive Tax:** a tax system in which those with higher incomes pay taxes at higher rates than those with lower incomes; also called *graduated tax*. The U.S. income tax system is based on the concept of progressivity. There are several tax brackets, based on the taxpayer's income, which determine the tax rate that applies to each.

**Discussion**

The group will discuss Regressive, Flat and Progressive Tax Systems. The facilitator will offer questions that are mostly values-based and open-ended. There are no right or wrong answers. Everyone is encouraged to enter the dialogue, share their values (not opinions)...and to be good listeners!

### **WHERE WAS THAT GLOSSARY?**

Now we're deep in unfamiliar territory and may need a glossary. See the reading assignments webpage for these links:

<http://www.bread.org/hunger/budget/glossary-of-budget-terms.html> and  
<http://www.taxpolicycenter.org/briefing-book/glossary/>.

### **Break**

### **Announcements**

### **Activity and Discussion**

One of the interesting aspects of the federal tax system is that we tax income from investments differently than we tax income from wages. The group will examine and discuss this tax policy and the values implications associated with it.

### **Closing Prayer**

Reading for Session Six

### Where the Money Comes From

Total federal revenues for Fiscal Year 2012 are projected to be about \$2.6 trillion. The largest portion, 43%, is projected to come from individual income taxes. The next largest share is expected to be social insurance and retirement receipts at 35%. The remainder is made up of corporate income taxes, excise taxes, estate and gift taxes, customs duties, Federal Reserve deposits, and some miscellaneous receipts.

The U.S. Constitution grants Congress the power to "collect taxes, duties, imposts and excises." Early federal government taxation was mostly in the form of excises on goods such as alcohol and tobacco. Although a tax on personal income existed briefly during the Civil War, it wasn't until 1913 that the income tax was firmly established. At that time less than

1% of people paid income taxes. During World War I, a need for more revenues drove tax policy and the top income tax rate rose from 7% to 77%. From that time on, many changes were made to the tax code regarding exemptions, deductions, and rates of taxation. But during World War II, a more fundamental change happened: the number of people subject to the income tax increased ten-fold. Nowadays, more than 100 million tax returns are filed each year. The federal income tax is progressive: The rich pay a larger percentage of their income than middle- or low-income.

Taxes to finance the Social Security system were established in 1935. Over time, more benefits have been added, including Medicare which provides health care coverage for senior citizens. Taxes to fund this system were increased at different points in time, and now stand at 15.3% of income with employers and employees each paying 6.2% for Social Security and 1.45% for Medicare. However, the Social Security tax only applies to the first \$106,800 of income. This makes the Social Security taxes are regressive since higher-income taxpayers pay a lower percentage of their income than lower-income

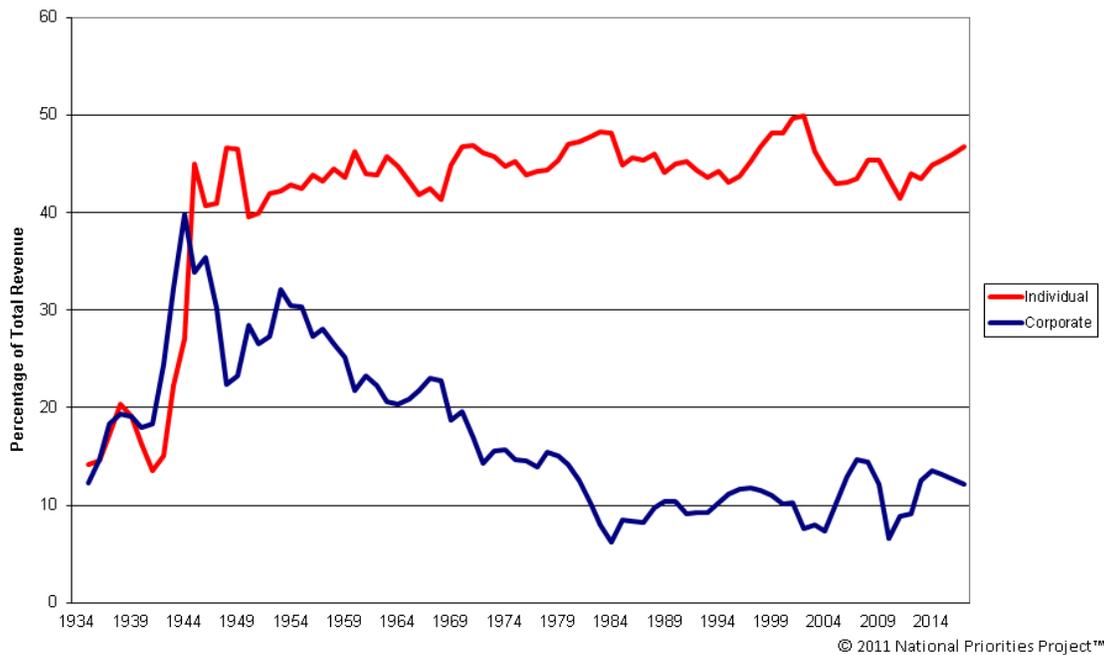
Numbers*
Total Revenues: \$2.6 trillion
Individual Income Taxes: \$1.14 trillion
Corporate Income Taxes: \$329 billion
Social Insurance: \$925 billion
Other: \$233 billion
*Fiscal year 2012. Social Insurance includes employment and general retirement, unemployment compensation and other retirement. Source: Budget of the U.S. Government, FY2012, Historical Table 2.1

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taxpayers. About three-quarters of taxpayers pay more in payroll taxes (Social Security and Medicare) than they do in individual income taxes. [NOTE: as part of the December 2010 deal to extend the Bush-era tax cuts for two years, the employee contribution to Social Security was reduced by 2% through the end of 2011.]

Other taxes such as corporate income taxes have contributed less and less to total tax collection over time. The burden of taxation has increasingly been shifted from corporations to the individual as the chart below indicates. Between 1960 and 2010 corporate income taxes went from 23 percent of total federal revenues to 7 percent. Individual income taxes, on the other hand, have stayed relatively stable.

Individual and Corporate Income Taxes 1934-2016  
(as percentage of total federal revenues)



**Source:** Office of Management and Budget, *Budget of the United States Government, Historical Tables, FY2012*.

## SESSION SEVEN: A Current Tax and Budget Debate



### Preparation

At this stage in the group, we have laid a strong foundation for a *values*-based discussion of controversial tax issues. *The richness of the discussions in this, Session Seven, will be the extent to which all participants are willing to share more fully their own values as the discussions continue.*

Please prepare for Session Seven in the following ways.

#### Reading Assignments

1. Chuck Collins, "Taxes Pay for Economic Opportunity," from *Ten Excellent Reasons Not To Hate Taxes*, pages 85-96
2. Louis Uchitelle, "Private Cash Sets Agenda for Urban Infrastructure," *The New York Times*, January 6, 2008
3. Each participant reads an article supporting their side, pro or con, in preparation for the Session Seven mini-debate on the estate tax. (Reference to these articles was given out by the facilitator during Session Six announcements.)

#### Interact/Reflect

1. Journal Reflection: Previous sessions have been full of information and numbers and tax statistics. How can I sort out what I believe? What are the core *values* that I want to bring to any discussion of government and taxation?
2. Mini-Interview Question: Who pays the estate tax? Should there be a tax on inherited wealth over \$3 million?

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### Web surfing

*All of these links are also listed on the readings web page.*

- Freedom Works, “A Citizens Guide to the Death Tax” at:  
<http://www.freedomworks.org/publications/a-citizens-guide-to-the-death-tax>
- Center on Budget and Policy Priorities, “Estate Tax: Myths and Realities” at:  
<https://www.cbpp.org/cms/index.cfm?fa=view&id=2655>
- United for a Fair Economy, REPORT: “Spending Millions to Save Billions: The Campaign of the Super Wealthy to Kill the Estate Tax”, an introduction to estate tax and rebuttal to some claims about its negative impact, at:  
[http://www.faireconomy.org/files/pdf/millions\\_billions.pdf](http://www.faireconomy.org/files/pdf/millions_billions.pdf)

## Session Seven Outline and Notes

### Review the Learning Objectives for Session Seven:

- Apply Biblical values to contemporary tax and budget issues
- Reflect on the growing charity sector, privatization, and needs for public infrastructure
- Explore the values issues underlying taxation through a mini-debate on the estate tax

### Welcome and Opening Prayer

### Discussion: Charity Giving and Public Spending

We will now turn to a discussion as to whether the government should be the main provider of infrastructure, such as streets, sewers, water protection. This discussion will center on the reading assignment, “Private Cash Sets Agenda for Urban Infrastructure.”

### Break

### Announcements

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**Activity: Estate Tax Mini-Debate**

This mini-debate will be about the resolution: "The U.S. should abolish the federal estate tax or "death tax." The estate tax is a powerful and divisive issue, which taps into underlying values about taxation. Participants will divide into either a *pro* or *con* stance on this issue and are encouraged to join the team that is the opposite of their own leanings.

Everyone is encouraged to keep the debate friendly, fun and engaging. There will be no winner or loser to this debate.

**Closing Prayer**

## SESSION EIGHT: Summing Up



### Preparation

This is the final session of the *Living Solidarity: Government, the Federal Budget and the Common Good* module. It is an opportunity to review and reflect on the topic and issues discussed over the past seven sessions. During this session, you will retake the personal survey and then note changes that have taken place in your understanding of and/or thinking about the topic of the module. This is also a time to both celebrate what the group has learned together and acknowledge that there is more to learn. The session ends with a discussion about possible next steps.

Please prepare for Session Eight in the following ways:

#### Reading Assignments:

1. Ron Sider, *Fixing the Moral Deficit*, Chapter 6 and Action Steps
2. Stephanie Greenwood, "Conclusion: Changing the Tax Debate," from *Ten Excellent Reasons Not to Hate Taxes*
3. *Engaging the World Together*  
[http://www.justfaith.org/graduates/pdf/engaging\\_the\\_world\\_together.pdf](http://www.justfaith.org/graduates/pdf/engaging_the_world_together.pdf)
4. Possible Next Steps (in this Participant Packet, pages 35-38).

#### Interact/Reflect

1. Journal – Session Seven engaged participants in a discussion around private cash and public funding. What charities do you give to? Is the government engaged in funding any aspect of those charities? Should the government be? Identify values you hold related to the common good, to public funding of programs and infrastructure, and to paying taxes. What taxes are you personally "happy" to pay as the price of "the commons", the price of

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citizenship in the United States? What will you do with what you have learned and with the discussions you have shared during the *Living Solidarity* module?

2. Mini-interview question: As a citizen of the United States, do you care how your tax dollars are spent? How do you know where your tax dollars go? How do you engage with the federal budget?

### Session Eight Outline and Notes

#### Review the Learning Objectives for Session Eight

- Reflect on the module and the impact it has had on each participant
- Consider additional activities that you might undertake as a group

#### Welcome and Opening Prayer

#### Activity: Revisiting the Personal Survey and Discussion

Participants will retake the Personal Survey they took during Session One. Both small group and large group discussions will follow the survey.

#### Break

#### Next Steps Together Discussion

To prepare for this discussion, you are encouraged to spend some time re-reading journal entries and reflecting on the past seven sessions. Things to consider in your reflections are: lessons learned, insights gained, values surfaced, surprises, and any lingering or unresolved questions.

#### Closing Summation

The facilitator will lead the group in a final, short summation of the module.

Evaluation: Please complete the online participant evaluation, found at:

<http://justfaith.org/JustMatters/Evaluations/livingsolidarity-prot.html> .

The evaluation is easy to complete and takes only a few minutes to complete.

Thank you for completing the evaluation *within two weeks* of finishing the module!

#### Closing Prayer

## Thinking about Next Steps

### Denominational & Ecumenical Resources for Study and Action

#### Evangelical Lutheran Church in America

*Why the Federal Budget Matters* <http://www.elca.org/Our-Faith-In-Action/Justice/Advocacy/Issues.aspx>

*Social Statement: "Economic Life: Sufficient, Sustainable Livelihood for All"*  
<http://www.elca.org/What-We-Believe/Social-Issues/Social-Statements/Economic-Life.aspx>

#### Presbyterian Church (U.S.A.)

*Living Through Economic Crisis: The Church's Witness in Troubled Times*  
<http://www.pcusa.org/resource/living-through-economic-crisis-churchs-witness-tro/>

#### United Church of Christ

*Economic Crisis* <http://www.ucc.org/justice/financial-crisis/>  
*A Place at God's Table: Praying for Budgetary Justice*  
<http://www.ucc.org/justice/federal-budget/>

#### United Methodist Church

*Prophet Driven Economy* [http://www.umc-gbcs.org/site/c.frLJK2PKLqF/b.5719289/k.7585/Prophet\\_Driven\\_Economy.htm](http://www.umc-gbcs.org/site/c.frLJK2PKLqF/b.5719289/k.7585/Prophet_Driven_Economy.htm)

#### National Council of Churches

*End Poverty Initiative* <http://www.nccendpoverty.org/budget/budget.html>

#### Ecumenical

*A Circle of Protection* <http://www.circleofprotection.us/>

#### Evangelicals for Social Action

*The Moral Deficit*  
<http://www.evangelicalsforsocialaction.org/page.aspx?pid=404>

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### **National Association of Evangelicals**

*Seeking justice and compassion for the poor and vulnerable*

<http://www.nae.net/government-relations/for-the-health-of-the-nation/poor-vulnerable>

### **Children's Defense Fund**

*Children's Budget Watch* <http://www.childrensdefense.org/policy-priorities/budget-watch/#process>

### **Interfaith Worker Justice**

*Faith Advocates for Jobs* <http://www.iwj.org/index.cfm/employment>

## **Local Community Engagement**

Local Budget Process: The goal of this activity is to bring our values into the public square at the local level by learning more about local budgeting and engaging as citizens. Steps include:

- I. Obtain a copy of a municipal or county budget. Distribute to the group.
- II. Meet to examine it together and identify values issues and questions.
- III. Attend a budget hearing or meet with town manager, municipal budget official. Bring prepared questions and concerns to discuss.

## **Advocacy**

Organize an Offering of Letters: Bread for the World ([www.bread.org](http://www.bread.org)) is a collective Christian voice urging our nation's decision makers to end hunger at home and abroad. Bread for the World's 2012 Offering of Letters, urges members of Congress to create a circle of protection around programs that give hungry and poor people in this country and abroad the tools they need to lift themselves out of poverty. Within this broader campaign are four mini-campaigns that address specific legislative topics that will come before Congress in 2012: nutrition, poverty-focused development assistance, tax policy, and food aid. Bread provides step-by-step guidance for organizing an offering of letter, including resources for

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publicity, worship and sermons; up-to-date information about relevant legislation, sample letters and more. <http://www.bread.org/ol/2012/>

**Meet with U.S. Congressional Representative on federal budget and tax matters**

- Set up an appointment with your U.S. House representative, Senator or policy staff person. (Your group may have more than one House representative).
- Prepare questions and points you would like to make.
- Follow-up with thank you notes and any additional information you agree to send the representative.
- Consult Advocacy Basics, a brief guide that includes a zip code search that takes you instantly to contact information for your federal and state representatives.

[http://www.ucc.org/justice/advocacy\\_resources/advocacy-basics.html](http://www.ucc.org/justice/advocacy_resources/advocacy-basics.html)

**Form a Resilience Circle or Common Security Club**

A Resilience Circle is a small group of 10 – 20 people that comes together to increase personal security. Circles have three purposes: learning, mutual aid, and social action.

The economy and environment are going through a deep transition, leaving many of us feeling anxious and economically insecure. We're facing unemployment, foreclosure, lost savings, and a rapidly changing environment. Many of us are isolated and face these challenges without the support of a community. In response, people are forming small "Resilience Circles" (also called "Common Security Clubs") to get to know their neighbors and explore a new kind of security based in mutual aid and community support.

*Resilience Circles help us:*

- Courageously face our economic and ecological challenges, learning together about root causes.
- Build relationships and undertake concrete steps for mutual aid and shared action.

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- Rediscover the abundance of what we have and recognize the possibility of a better future.
- See ourselves as part of a larger effort to create a fair and healthy economy that works for everyone in harmony with the planet.
- Get to know our neighbors, find inspiration, and have fun!

*How it Works*

Across the country, people are starting Resilience Circles in their communities. The free, open-source Curriculum provides a guide for seven initial sessions, and after that groups determine their own activities and projects. Visit <http://localcircles.org> or contact [info@localcircles.org](mailto:info@localcircles.org) for information and support in finding or starting a circle.

## JUSTFAITH MINISTRIES A Multilayered Ministry of Formation



Congratulations on completing a JustFaith Ministries (JFM) JustMatters module. JFM provides experiences that transform people and expand their commitment to social ministry. Program participants explore and experience Christ's call to care for the poor and vulnerable in a lively, challenging, multifaceted process in the context of a small faith community.

JustFaith Ministries, in conjunction with its partners, makes available introductory workshops, curriculum, resources, a website, and support services.

30,000 people across the country have participated in one or more JustFaith Ministries programs.

**JustFaith** focuses on discipleship and the call to be about God's dream of justice and compassion in a world scarred by the domestic and global crisis called poverty.

**Engaging Spirituality** is a spiritual deepening process that explores the intersection between contemplative presence and social action.

**JusticeWalking (J-Walking)** is a process that forms small communities of older teens and adults to engage in a spiritual journey and exploration of the radical call of the Gospel.

**College JusticeWalking (J-Walking)** is a semester-long "Discipleship Journey" that forms small communities of college students as they experiment with living the Gospel message and the social implications of our faith.

JustFaith Ministries is able to offer these programs through the generosity of donors, most of whom are "graduates" of our various programs. [Please join them in growing the movement of faith-filled change-agents!](#)

JFM also provides an online document, [Taking Action Resource Guide](#), to help participants learn more and get involved in this and other issues.