



CORRODING WEALTH IN THE LAST DAYS

Which statement is true: Wealth is booming worldwide today, or wealth is corroding?



By Wilfred Hahn

Gauging by popular indicators, wealth is surging. Stock market indices have been rising, hitting new all-time highs in some countries. And, spectacularly, real estate values have been soaring to previously unimaginable levels around the world, from Sweden to Canada to Australia. Surely, wealth must be booming.

Indeed, some people are becoming very rich; the already-wealthy growing incredibly wealthy. The share of wealth of the “one percent” (the wealthiest 1% of people) is definitely rising. But, seen from the vantage point of historical wealth theory as well as Biblical values, we take a completely opposite perspective. We conclude that worldwide wealth is corroding.

Moreover, we identify many prophetic parallels. The wealth trends that we are witnessing today fit hand-in-glove with the prophecies of the Bible.

Tempting, Tantalizing Wealth

People like rising wealth. In fact, they like the “appearance” that wealth is rising. No distinction is made between these two developments. More is better, whether false or real. As such, in our modern fi-

ancial world, few understand the true essence of wealth. It can mean anything from jewels and natural resources, to over-valued baseball card collections or high-flying financial investments.

Centuries ago, wealth was perceived much differently. Then, wealth tended to be considered as the direct ownership of material things (gold, land, flocks, stores of food, slaves ... etc.). Wealth represented in the ownership of a flock of sheep (for example) did not have a primary expression in the form of money. Today, wealth is more likely to be defined in financial terms. Yet, whatever the changes in perception and forms of riches down through the ages, actual wealth really hasn’t changed at all.

At its core, wealth is nothing more than the totality of the physical creation and the collective productive capacity of mankind’s labor—both present and future. We can define these types of wealth as either created or of human origin. Both forms of wealth are finite at any given point of time. The earth already exists with its minerals, oceans and landmasses. As well, the labor supply is static at any one time. After all, there are only so many people of potential working age on earth at any given moment. And, all of us

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are bound by the same 24 hours each day.

We see that the world's wealth has a maximal physical or productive potential. It is fixed at any one moment. Yet, the volume of real wealth can change over longer periods of time.

The most important and sustainable means of increase is through growth in the earth's population. The more people there are, the more hours of human labor that are available in the world. The greater the potential amount of labor, the greater the opportunity to create wealth. (Another wealth-creating factor is productivity. For the sake of simplicity, we will not examine its influence.) The main point is that without labor, there can be no prospect of human income; and without savings, there can be no true human-derived wealth. This is an important concept and is foundational to understanding the deceptions behind modern day financial and wealth trends.

Three Important Truths about Wealth

There are three important truths about human wealth. First, it is inextricably tied to human labor. Ultimately, the value of all wealth rests on the foundation of income—someone's labors somewhere on earth. Second, wealth can only be accumulated when we consume less than our labor produces. Third, if we exchange our savings for a promise of payment in the future, the underlying support for that liability ultimately depends on the labors of another human sometime in the future. The inviolable fact of God's creation is this: There can be no human wealth without human labor, whether present, past or future—either accumulated as savings in the past, or an exchange for the promise of savings in the future.



With that conclusion, we can emphatically state that human wealth in the world is corroding today. Why? Because the pool of human labor is on the verge of declining. There are number of causes. We will focus on just two.

Anti-Familialism

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Again, the result? The world's population is aging. The most significant impact of this development is that future retirees will be relying on the support and economic output of a following generation that is much smaller. The impact of this aging phenomenon cannot be escaped. The retiree to work ratio, as a result, is expanding rapidly. One way or another, all wealth and income will need to be supported by this following generation. However, the total pool of labor per capita will be lower!

Unavoidably, what that means is that the foundation of world wealth is on the path to corrosion. Policymakers also realize this. Their response? Pump up (inflate) the value of assets (house, stocks and bonds) in price, so as to make it look like wealth is increasing. It is an attempt to cover up the problem ... to kick the can down the road for someone else to worry about.

The reality is that the accumulation of real wealth is a slow-moving process. Viewed very simply, human wealth in the world expands as the working population grows, and our incomes and labor exceed our consumption.

Many financial institutions—mutual fund management companies, for example—like to convince



their clients that financial markets create limitless wealth. They would have us believe that stock and bond markets supposedly build wealth all on their own, independent of incomes, savings and human labors. And, of course, each mutual fund company likes to claim that it can extract more of this wealth out of the markets for its clients and its own profit than any other mutual fund company.

While these may be attractive concepts that sell billions in mutual funds and other investments, it is a total fallacy that financial markets create wealth. Neither do the financial industries. The truth is that they do not. By and large, their business is more concerned with the transfer of wealth. That's not to say that financial services do not have value or are unimportant. But, to the extent that these industries promote the perception of "value" as wealth, or their ability to create wealth apart from human labor, they are mostly bamboozling us.

Foundations of Modern Financial Wealth Are False

Today, wealth is viewed as the "market value" of financial paper, securities and assets. Wealth, therefore, is entirely independent of the fruits of labor. Poof ... voila ... and more fictitious financial wealth can be created with the blink of an eye. That is a perspective that is supported by supposed experts. We quote an article that famously laid bare this shift to disregard underlying income and savings as the real underpinnings to wealth.

"Securitization—the issuance of high-quality bonds and stocks—has become the most powerful engine of wealth creation in today's world economy. [...] Overall, securitization is fundamentally altering the international economic system. Historically, manufacturing, exporting, and direct investment produced prosperity through income creation. Wealth was created when a portion of income was diverted from consumption into investment in buildings, machinery, and technological change. Societies accumulated wealth slowly over generations. Now many societies, and indeed the entire world, have learned how to create wealth directly. The new approach re-

quires that a state find ways to increase the market value of its stock of productive assets."¹

That quote may prove to be a little too technical for some, but everyone will have understood what is meant by "learning to create wealth directly" and "increase the value of its stock." What is intended here is that by simply "pumping" (inflating) both the price and the pool of financial assets (independent of labor output and savings), wealth can be created. This is totally wrong and the most heinous of deceptions.

Shocking Decline in Creation of Life

The second "labor" (wealth) corroding development we will mention is a shocking one. Men's sperm counts are collapsing ... around the world!

Researchers, led by Dr. Hagai Levine of Hebrew University of Jerusalem, examined thousands of studies and conducted reviews of 185 other studies. These included 42,935 male participants who provided semen samples between 1973 and 2011. The chosen studies were well distributed over the nearly 40 years of the study period and among 50 different countries.

What did the researchers determine? They discovered that men's sperm counts in the Western world have fallen by 59% over the past 40 years. Ponder on this incredible statistic. If the count decline were to continue at the same pace in the future, men's sperm counts would be at zero in only 4 decades! It is not just a Western problem. There are indications that declines in sperm counts are occurring globally.

The impact of this development is shattering in many ways. The rate of child conception will be lower ... if not already. And, should counts continue to deteriorate, world populations would begin to decline and age at a much more rapid rate. As we have pointed out: World wealth is tied to labor. Declining population growth will therefore further undermine the foundations of world wealth.

Points to Ponder

Financial wealth is booming during our generation. How can this be, when real wealth is creeping along at a fraction of that rate? Here again, we see that the main driver behind this apparently huge rise in

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wealth has been nothing more than a boom in the perception of value.²

If apparent wealth (perceived financial wealth and otherwise) is rising much faster than underlying income growth and savings, then something potentially very dangerous is occurring. It gives rise to a very deceitful environment, one in which claims on true wealth—the ownership of human labor, past, present and future—are being misrepresented. It allows the world to fall for an enormous bondage to fictitious financial wealth, even as true wealth is being hoarded by a select few as never before.

James (the half-brother of Jesus) uttered a prophecy about the last days: “Now listen, you rich people, weep and wail because of the misery that is coming on you. Your wealth has rotted, and moths have eaten your clothes. Your gold and silver are corroded. Their corrosion will testify against you and eat your flesh like fire. You have hoarded wealth in the last days” (James 5:1-3).

Here, James reveals that wealth will in fact erode (rot and corrode) in the last days, meaning that wealth will decline and disappoint. Moreover, James also indicates that wealth (false and corroding as it may be) will be hoarded and concentrated in the hands of a few.

We cannot know with any certainty whether he foresaw our day today ... in other words, this exact time. The “last days” can be said to have started with the appearance of the Church. But, the trends we are

witnessing today align with the prophecies of James. In fact, given that we are living in the age where Jews are in the early stages of returning to Israel (this a fulfillment of last-day prophecy), and how these corrosive wealth trends are truly global, we would do well to discern current developments as having prophetic pedigree.

As such, these are the necessary preceding developments that lead to the final fulfilled prophecies such as we find in Revelation. “They will throw dust on their heads, and with weeping and mourning cry out: ‘Woe! Woe to you, great city, where all who had ships on the sea became rich through her wealth! In one hour she has been brought to ruin!’” (Revelation 18:19).

While the world celebrates the “appearance” of booming wealth, even while at the same time its fundamental foundations are crumbling, what attitude should Christians take?

We are to continue to live our lives free of the love of money.

We are to keep our minds on heavenly things. “Since, then, you have been raised with Christ, set your hearts on things above, where Christ is, seated at the right hand of God. Set your minds on things above, not on earthly things” (Colossians 3:1-2).

ENDNOTES

- 1 John C. Edmunds. “Securities—The New Wealth Machine.” *Foreign Policy*. Fall 1996, p. 118.
- 2 An increase in general debt levels has played a major role in the explosion of financial market values. Though net wealth does not increase, the number of claims upon wealth still increase as do many other distortions in the world economy.