

I suspect what I'm about to say may startle even some of the savviest people listening to this episode. But the fact is, we will soon marvel together and be nodding "yes" together as we unpack the topic. Here's a key point to start. One of the main drivers of prosperity in the modern era is something we have all grown up hearing about, are sometimes mystified by, and are very likely participating in: the stock market! Yes, indeed, stock markets allowing investors to freely buy or sell ownership is a huge driver of prosperity!

Let me start with an anecdote that we can learn a whole lot from. Ludwig von Mises was one of most influential economists in history, very much focused on freedom—what we would call *libertarianism* but has consistently been called *classic liberalism* by economics experts. A scholar of extraordinary breadth, a practical officeholder in Austria, a champion of freedom, Mises fled the regime of Adolf Hitler as Hitler started his takeover of much of Europe as leader of the Nazis—the German abbreviation for National Socialist German Workers' Party (yes, Hitler was socialist).

In the course of Mises' very fruitful career, it's highly likely that he impacted more influential economists in person than anyone else in history, including both other Europeans fleeing Hitler like Friedrich von Hayek and American economists of significant influence like Milton Friedman and Murray Rothbard. There is a website, [mises.org](http://mises.org), fully dedicated to Mises and his ideas, and that's the source for this little story.

*"Murray Rothbard once asked Ludwig von Mises at what point on the spectrum of statism can a country be designated as 'socialist.' To [Rothbard's] surprise, Mises said that there was, indeed, a clear-cut delineation: the stock market.*

*Mises said, 'A stock market is crucial to the existence of capitalism and private property. For it means that there is a functioning market in the exchange of private titles to the means of production. There can be no genuine private ownership of capital without a stock market: there can be no true socialism if such a market is allowed to exist.'"*

Well now, we interrupt this message for a minute here in order to remind ourselves with a broader statement or two that are obvious to astute observers who have discerning eyes to see: socialism reduces freedom, it disincentivizes innovation and entrepreneurship, it increases taxes, it increases unnecessary spending, and it increases bureaucracy. Of course, the core contrast to socialism is freedom. And when we research the true economic results of a long-standing socialist country like Cuba and contrast that with a long-standing generally-free-market country like the U.S., the gap is really quite shocking!

So, why am I focusing on stock markets as a driver for the prosperity of an ordinary, prudent person...and why is that superior to socialism? A bit of history would be really helpful here. In the 1600s, the Dutch East India Company was the first company in history to issue stock to the public. And over the centuries, the Netherlands has enjoyed huge prosperity, with a stock market an important element of that—then England and the U.S. followed that pattern. The New York Stock Exchange famously began under a tree on—you guessed it—Wall Street in New York.

But what has really geared up in America the last few decades is the grand rise of millions of rather ordinary investors—picture a person on an iPhone checking on the family's stock holdings. The stock market is not just the privilege of multimillionaires and trust-fund inheritance. Indeed, its accessibility and wealth-building upside potential are easily available to *anyone* with the discipline to have some savings.

Now, go to the internet and do a quick search looking at citizens' median income around the world by country. Of course, in the top 20 or so you're going to find countries in northern Europe where stock markets started, and England, Australia, and the United States and a smattering of countries who participate robustly in markets, like South Korea, Taiwan, and Japan. Of course, the countries that do not have robust

free markets due to bad economic systems like socialism, government dictators, and the lack of infrastructure built in order to foster economic innovation, well, those are the countries with vastly lower median incomes. Cuba? Well, none of the research I accessed even listed socialist Cuba...do you imagine that's because Cubans are suddenly doing so well that their government wants to hide their prosperity?

And how about China? Well, the common wisdom on the street about Communist China is that it has embraced capitalism. But we see China's government increasingly restricting and harshly regulating market activities by major Chinese firms. This recent shift towards harsher regulation doesn't bode well for sustaining China's previous economic growth that enjoyed less restriction. It will be revealing to watch in the future how China works its mix of wanting the fruits of free markets while working to retain core communist ideology.

Here's what must be said about the past few decades in America. Where else but a vibrant stock market could a humble person with a relatively small amount to invest, say, an office clerk or a welder *essentially hire* Bill Gates or Jeff Bezos or Elon Musk to grow their investment? Yes, I actually said *hire!* You see, any worker who has saved money can be financially aligned with the stock market's leading innovators and founders—that is, they can actually freely choose to be harnessed alongside some of the best wealth-builders in all history! That's exactly what has happened for numerous ordinary investors in the U.S.

In contrast, socialist ideology glibly imagines grandly stepping in, allegedly putting the common person in a better position by taking money away from jobs-creating entrepreneurs and distributing that money to citizens. But just think about how fruitfully radical a freely functioning stock market really is! Virtually any adult in the U.S. can open a stock-trading account, trade stocks without paying one dollar in commissions, and immediately get in the flow of competent CEO-stewards working on increasing their stock investment! Sounds like a fairy tale, right? But it isn't—it's the reality of the participatory, long-term workings of stock markets in generally free markets, where stocks are freely bought and sold!

Wait, you say, stock markets are what make the 1% richer! But take Steve Jobs of Apple, Elon Musk of Tesla, and Jeff Bezos of Amazon. Not one of these founders of companies—who countless customers like you and me enjoy doing business with every day—was remotely close to the top 1% when growing up. No, these founders were simply gifted people who were innovators, took risks, and have provided huge value to many hundreds of millions of people.

And now, any person with an account at TD Ameritrade or Robinhood can invest in the companies these types of founders start and then harvest future increases in value of those companies! Frankly, this is a form of Jesus's Parable of the Talents, in action! The investor's task is to identify the companies where the leaders truly are great stewards for their investors.

But the prospects for our betterment can be less risky than as investors in specific companies. The history of U.S. stock markets is such that an ordinary investor who thinks long-term can routinely invest some money in an indexed mutual fund and end up with amazing long-term results. That's the legit story of investing in stocks in a free-markets country with just a light touch of the proper government regulation.

In a nutshell, this proven, real-world framework of the participatory magic of stock markets in generally free economies is stunning...it fosters participating in a great future by aligning over the long-term with top businesspeople who are working to drive their companies to great stewardship.

Does that sound familiar? It should! When we believe in Christ and Him crucified, we align with Jesus—the heir of all things—and are afforded the privilege of working for His Kingdom. And, similar to the idea of investing in the best stock ever for the long-term, our reality is that we are joint heirs with Jesus for eternity! Isn't that crazy good? *Now that's the ultimate participatory magic...with Jesus and His Kingdom!*

## *A&A: Application & Action*

1. In this amazing digitally-empowered era where a relatively small amount of money has the potential to blossom into giant trees over time, are you specifically aligning your finances with some world-class “partners?” Or do you think that may to be too risky? Discuss.
2. About 2,000 years ago, Jesus invited common, everyday people to follow Him and participate in things of eternal value. And He invites us to align with Him in each day’s opportunities to execute Kingdom priorities by the power of the Holy Spirit! Are you walking out the “participatory magic” that’s possible in a life with Him? Ponder and then articulate how, unique to your time and place, you have been aligning with Jesus in Kingdom priorities over the past few months.
3. How do you think about the potential of reality-based “participatory magic” opportunities in your life? What are some opportunities you may be considering...or even reconsidering?