In These Uncertain Economic Times, Seeking the Kingdom Is the Solution

The Bureau of Labor Statistics (BLS) released its monthly report on consumer inflation. Changes in the CPI showed a hot 7.5% inflation from a year ago (% expected, 7.0% last month, 1.4% in January 2021). Inflation is the highest in 40 years. Fuel oil prices increased 46.5% from a year ago, used cars and trucks 40.5%, gasoline 40.0%, natural gas 23.9%, new vehicles 12.2% (when they could be found) and food 7.0%. Inflation is increasing and is likely to continue to increase.

The Bureau of Economic Analysis (BEA) reported a December trade deficit of -$. The estimate pushed the annual trade gap to -$859B, up 27% for the year and a record high. Negative trade gaps subtract from total GDP output.

The University of Michigan Consumer Sentiment Index fell to 61.7 for February (67.5 expected, 67.2 in January). This was the lowest in more than a decade. Consumption comprises about 70% of U.S. output. Since consumer sentiment impacts consumption, the index is closely followed and is a negative signal for the economy.

In addition to current geopolitical events (Russia and Ukraine, China and Taiwan and Iran nuclear progress), the Fed is the entity to watch. The Fed has already indicated an interest rate hike in March and a willingness to reduce their balance sheet. The markets are currently indicating as many as five to six hikes this year. Higher interest rates will slow the economy.

The back of inflation is difficult to break. Monetary policy is difficult to implement precisely because lags are long and varied before policy changes fully impact the economy and inflation. If the Fed moves too slowly, it risks inflation getting even more out-of-control. If it moves too aggressively, they risk slowing the economy too much and even causing a recession. The risks to the economy from the Fed incorrectly balancing these competing objectives are significant.

The economy will face significant risks this year. But as Christians, we overcome and bless others in the process. Our Lord told us that we shouldn’t be anxious and promised that if we seek the kingdom first and His righteousness that He would be our provider.

“Do not worry then, saying, ‘What are we to eat?’ or ‘What are we to drink?’ or ‘What are we to wear for clothing?’ For the Gentiles eagerly seek all these things; for your heavenly Father knows that you need all these things. But seek first His kingdom and His righteousness, and all these things will be provided to you,” (Matt. 6:31-33, NASB).

We seek the kingdom first by honoring Jesus as our King, 24 hours a day and seven days a week. We live our lives around the kingdom principles written in the Word. We seek Him, His counsel and, with the empowerment of the Holy Spirit, we attempt to honor Him in all that we do and speak. We are courageous and strong because of His promises and His presence. From our faith in Him, we experience righteousness, peace and joy with the empowerment of the Holy Spirit.

“For the kingdom of God is not eating and drinking, but righteousness and peace and joy in the Holy Spirit,” (Rom. 14:17, NASB).

Lastly, we seek the kingdom first and His righteousness by loving. We love Him because He first loved us and continues to shower us with His love, blessings, mercy and grace. We love others because they are created in His image.

“Jesus answered, ‘You shall love the Lord you God with all your heart, and with all your soul, and with all your mind, and with all your strength.’ The second is this: ‘You shall love your neighbor as yourself.’ There is no other commandment greater than these,” (Mark 12:30-31).

Kingdom Gem: In the kingdom, there are no economic recessions; seek the kingdom first. {eoa}

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