Kingdom Economics: Allow God's Light to Shine During Hard Times

BLS released the June Consumer Price Index (CPI). Annual consumer inflation was 9.1%, compared to 8.6% in May and 8.8% expected.

Consumers haven't seen inflation this high since November of 1981. Core consumer inflation, which excludes food and energy, was 5.9%. This compares to 6.0% in May and 5.7% expected.

Consumers faced higher prices for a broad range of goods that included many multiyear records. Fuel oil (98.5%), gasoline (59.9%, highest since 1980), natural gas (38.4%, highest since 2005), electricity (13.7%, highest since 2006), food at home (12.2%, the highest since 1979), airline fares (34.1%), shelter (5.6%, highest since 1991), and new vehicle (11.4%) prices increased significantly.

BLS also released the June Producer Price Index (PPI). Annual producer inflation was 11.3%, compared to 10.9% in May and pre-report expectations of 10.7%. Producer inflation is an important predictor of future consumer inflation.

Increasing aggregate demand and decreasing short-run aggregate supply have both contributed to current inflation. Excessive stimulus spending when the economy was already starting to recover; monies sent to states, schools and other institutions during the pandemic; the Federal Reserve increasing their balance sheet to near $9 trillion and cash-flush consumers emerging from COVID-19 restrictions increased aggregate demand and increased inflation.

Chip shortages, port congestion, droughts in parts of the world, the Russian-Ukrainian war, the domestic war on fossil fuels, a less favorable business regulatory environment, the green new deal and increasing business taxes decreased aggregate supply and increased inflation.

The Fed has consistently been too late and too small with its monetary policies. With 9.1% inflation, it might be impossible for the Fed to slow the economy enough to control inflation without moving the economy into a recession. Some believe the United States is already in a recession.

We may get some reprieve from inflation for a couple of months as many retailers have excess inventory with a slowing economy. But long-run fundamentals haven't changed. The current party in power is unlikely to introduce supply side solutions or reduce aggregate demand by cutting spending. The Fed could reduce demand sufficiently to control inflation if they have the will. Bottom line: A slowing economy, recession, inflation and/or stagflation is likely here for a while.

In these hard and stressful times, many people are anxious, fearful and depressed. Some appear to be without hope. But with Jesus as our King, we should be different. The world's citizenships are secondary. Earth is our temporary home. Our citizenship, and our permanent home, is in heaven. All things, even hard times on this earth, will work together for our good because we love God.

"For our citizenship is in heaven, from which we also eagerly wait for a Savior, the Lord Jesus Christ" (Phil. 3:20, NASB).

"And we know that God causes all things to work together for good to those who love God, to those who are called according to His purpose" (Rom. 8:28, NASB).

As citizens of the kingdom of God, we have the right, authority and God-given empowerment to do all that He has called us to do. We have the right, even the obligation, to call upon the resources of heaven to accomplish His will in our lives. Members of earthly kingdoms have the commonwealth, but members of the kingdom of God have the unlimited commonwealth of heaven. (See Philippians 3:20-21, RSV.)

We don’t have the right to be greedy; to put our faith in money, wealth or anything else instead of God; to fail to obey Him; or to not recognize and thank Him for being the source of our joy, peace, hope, wealth, health, strength and wealth.

Our heavenly Father loves us, and as any parent, He wants us to prosper and be in good health. But we need to be aligned with the kingdom of God. Our soul (mind, will and emotions) should be aligned with heaven’s priorities.

If God’s kingdom is our first priority, He promises us His provision. His righteousness should be sought in all aspects of our lives. We should be givers. The Old Testament required tithing, but the New Testament urges us to put everything under the Lordship of Christ. We follow Him because He loves us and for everything He has done and is doing for us. Our God is faithful and will not fail us in anything, including monetary resources.

“Beloved, I pray that in all respects you may prosper and be in good health, just as your soul prospers” (3 John 2, NASB).

“But seek first His kingdom and His righteousness, and all these things will be provided to you” (Matt. 6:33, NASB).

“Do not store up for yourselves treasures on earth, where moth and rust destroy, and where thieves break in and steal. But store up for yourselves treasures in heaven, where neither moth nor rust destroys, and where thieves do not break in or steal” (Matt. 6:19-20, NASB).

During hard times, let us keep our eyes and focus on the kingdom of God. Let us be a source and channel of His love. Let us model His righteousness, peace and joy. Sometimes we must accept earthly disappointment, but we must never lose our faith and hope in our God. Let us remember that through life’s difficulties, we are never alone.

Let the kingdom of God within us shine during hard times.

“Do not fear, for I am with you; do not be afraid, for I am your God. I will strengthen you, I will also help you, I will also uphold you with My righteous right hand” (Isa. 41:10, NASB).

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