

Kingdom Economics: Do Incentives Have Any Bearing on the Kingdom of God?

Understanding the role of incentives is important to predict varied economic impacts. If taxes or costs are raised, expect to see less of the impacted item. If subsidies are increased or costs lowered, expect to see more of the respective item.

When the arrival of COVID began slowing the economy, congress added a variety of additional benefits designed to help the population. Unemployment benefits were enhanced, food stamps and Medicaid were increased and expanded, payments on many types of loans became optional, and direct cash payments were made to all families regardless of need. Many of the benefits were needed at the time.

However, the additional benefits also changed incentives. When the economy began to open, workers were slow to return to work. Some were making more by not working than when they had jobs. Even when the benefits of not working were reduced, workers were still slow to return. Others enjoyed working from home via online tools and are slow to return to a physical office.

President Trump reduced the corporate tax rate from 35% (one of the highest in the world) to a more competitive 21%. *The Wall Street Journal* (WSJ) recently analyzed the impact of the cut in an article entitled "Corporate Tax Reform Worked." The analysis compared Congressional Budget Office (CBO) estimates of the tax cut impacts with actual numbers. The CBO specifically does not incorporate incentive-based impacts (called dynamic scoring). The WSJ found that corporate tax revenues increased 22% from a year earlier for the first six months of fiscal year 2022. Increased incentives from lower

taxes created greater economic activity and larger tax revenues.

Do incentives have any bearing on the kingdom of God? Evidently, the Lord thinks that they do. He spent a lot of time teaching about heaven and hell. Much of the Old and New Testaments tell of the dangers of sin, the blessings of obedience, and the righteousness, peace and joy of kingdom citizens.

We are saved by grace when we sincerely repent and in faith accept Jesus as our Lord and Savior. We were without hope and have been saved by grace through faith in His name. Our salvation is the gift of God.

“But God ... even when we were dead in our wrongdoings, made us alive together with Christ (by grace you have been saved), and raised us up with Him, and seated us with Him in the heavenly places in Christ Jesus, so that in the ages to come He might show the boundless riches of His grace in kindness toward us in Christ Jesus” (Eph. 2:4-7, NASB).

The Scriptures make clear belief implies obedience. As believers, we need victory over sin. When we sin, God is faithful to forgive us if we ask Him with a sincere heart. But He did not leave us without a Helper. We have the sanctifying work of the Spirit to help us obey Jesus if we are willing.

“The one who believes in the Son has eternal life; but the one who does not obey the Son will not see life, but the wrath of God remains on him” (John 3:36, NASB).

“According to the foreknowledge of God the Father, by the sanctifying work of the Spirit, to obey Jesus Christ and be sprinkled with His blood: May grace and peace be multiplied to you” (1 Pet. 1:2, NASB).

The Lord was clear, and the Holy Spirit confirms the consequences of accepting and following Jesus, and the

consequences of not doing so. But today we have many professing Christians and regular church attendees with deep sin. Some are sincerely striving to overcome their sins, and they will be shown the grace to be successful. Others have accepted the sin. Some attempt to convince others that their brand of sin is good.

Could the root problem be that too many churches do not preach the entire Word of God? Some preachers don't talk about sin because of fear of offense. Some edit the Word of God to be culturally sensitive instead of using Scripture to bless the people and change the culture. Some sheep erroneously believe that grace is a passport to sin. Some correctly believe that the Lord loves us regardless of our sins but leave out the necessity of our repentance.

Let us preach the Word of God in season and out, using it to correct, rebuke and exhort with great patience and instruction. In love, let us demonstrate the power of God in word and deed.

"For the kingdom of God is not in words, but in power" (1 Cor. 4:20, NASB). {eo}

Dr. James Russell is a professor of economics at Oral Roberts University.

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