

Kingdom Economics: Don't Shoot Yourself in the Foot

Consumer inflation was hotter than expected. The Bureau of Labor Statistics (BLS) reported that the April consumer price index increased 8.3% over the past year, the second highest in 40 years. Markets were expecting it to be 8.1%. Without food and energy, inflation was still 6.2% (expected 6.0%). Shelter, food, airline fares and new vehicles were the largest contributors.

Producer inflation was also hotter than expected. BLS reported that producer final prices rose 11% over the past year, the second highest on record. Analysts were expecting it to be 10.7%. Without food and energy, producer inflation was still 8.8%. Expect many of the higher producer prices to be passed on to consumers.

Inflation is neither transitory nor narrow-based. The Federal Reserve has been slow to fight inflation. Federal Reserve Chairman Jerome Powell argues that inflation is their priority, but the talk is not matched by strong actions. With more than 8% consumer inflation and 11% producer inflation, the Fed has increased its target interest rate by 1% and has yet to reduce its \$8.9 trillion balance sheet.

The federal government is continuing to add fuel to the inflationary fire by striving to increase spending and increase business taxes. I expect high inflation to continue through 2022, 2023 and possibly 2024.

The Federal Reserve and the current administration continue to shoot themselves in the foot when it comes to the U.S. economy. For example, average U.S. gasoline prices have continued to set records every day since mid-April. When we should be increasing supplies to reduce prices, the

administration canceled two oil lease sales in the Gulf of Mexico and one in Alaska during the last week alone.

Higher business taxes reduce aggregate supply, which increases inflation and reduces output – the opposite of what I assume are their policy goals. Constraining U.S. energy production not only causes higher prices but also increases energy imports from countries that are not as environmentally conscious as U.S. producers.

Kingdom citizens have many promises and examples regarding the Lord's faithfulness in blessing His children. As amazing as it may seem, God loves us. He demonstrated His love by sending His only begotten Son to die for our sins so that we may have eternal life with Him.

"For God so loved the world, that He gave His only Son, so that everyone who believes in Him will not perish, but have eternal life" (John 3:16, NASB).

The very nature of God is love. The apostle John wrote, "God is love" (1 John 4:16, NASB). David in Psalm 103 enumerates some of His benefits. Since we know that the Psalms were written through the inspiration of God (2 Tim. 3:16), the Psalm is like God pleading with us to follow Him.

"Bless the LORD, my soul, and do not forget any of His benefits; who pardons all your guilt, who heals all your diseases; who redeems your life from the pit, who crowns you with favor and compassion; who satisfies your years with good things, so that your youth is renewed like the eagle. The LORD performs righteous deeds and judgments for all who are oppressed" (Ps. 103:2-6, NASB).

Current economic, social, political and geopolitical situations are stressful to the multitudes, including Christians. The difference between people of the world and Christians is that we have the solution. The solution is God. As members of the kingdom, we should have righteousness, peace

and joy regardless of the environment (Rom. 14:17).

If we feel oppressed, we know the One who will perform righteous acts and judgments on our behalf (Ps. 103:6). We can be strengthened with power through His Spirit in our inner self (Eph. 3:16). And God can do even more than we think or ask for according to the power that works in us.

“Now to Him who is able to do far more abundantly beyond all that we ask or think, according to the power that works within us” (Eph. 3:20, NASB).

With the Spirit of the living God inside of us, the unfailing promises of the Word of God, and the righteousness, peace and joy that come with citizenship in the kingdom of God, why are so many Christians fearful, anxious, depressed and without hope in this world? Could it be that metaphorically we keep shooting ourselves in the foot? How many of our wounds are self-inflicted?

Would Abraham be our spiritual father if he had not been willing to pack up and go to the land the Lord had promised? Would Joseph have left the prison for royalty if he had not been willing to interpret the dream? Would David have risen to his status as a great king if he had not been willing to face Goliath?

We are told that the prayer of faith can move mountains and if we believe, all things are possible. Would the mountain move, and will things change, if we don't pray? Will our seed be multiplied if we don't give? Can we appropriate the promises of God if we don't know the promises?

Now is the time. Like Esther, we were born for such a time as this. Let us rise boldly in holy righteousness, peace and joy.

Let us adopt the standards of the kingdom instead of yielding to the standards of society. The world is hurting, and we have the solution. Let us quit shooting ourselves in the foot and

limiting ourselves with self-inflicted wounds. We should not waste this grand opportunity. {eoa}

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