

Kingdom Economics: Kingdom Decisions Have Consequences

The Mortgage Bankers Association released its weekly report. The average weekly 30-year mortgage rate was %, 22 bps higher for the week and the highest since July 31, 2019.

Mortgage applications were down 5.4%, compared to being down 8.1% the previous week. The MBA Mortgage Market Index was down 5.4% and the Refinancing Index was down 1.2%.

The National Association of Realtors (NAR) also released its January real estate report. Existing-home sales increased a very strong 6.7%, the highest since September 2021 and compared to a 3.8% drop in December. At the end of December, the unsold inventory of existing homes fell to a record low of 860,000. Median existing-home prices in January were 15.4% higher than a year ago.

According to NAR's chief economist Lawrence Yun, "Buyers were likely anticipating further rate increases and locking-in the low rates, and investors added to overall demand with all-cash offers." Yun also indicated that the supply of for-sale homes below \$500,000 is disappearing, while the supply of homes above \$500,000 is increasing.

Real assets, such as homes, are usually a good hedge for inflation. With consumer inflation currently at 7.5% and producer inflation at 9.7%, the demand for homes is likely to remain strong if inflation and inflationary expectations persist.

Future actions of the Federal Reserve (Fed) will play a large role in determining the size and duration of inflation. Fed chairman Powell has indicated that inflation will be a top priority and that the Fed will take all necessary steps to control inflation. Specifically, he indicated that interest

rates will be increased, and their balance sheet (currently at \$8.8 trillion) will be reduced sufficiently to control inflation. Their actions will begin in March, but will their actions match the strong rhetoric?

Actions of the Fed cannot be reliability predicted over time. Future political and geopolitical events are uncertain. The world is currently filled with anxiety, hopelessness, division, coarseness, anger, hate and fear about the future. But we are different. Our hope is in Christ (Matt. 12:21). We live in the world, but our citizenship is in heaven (Phil. 3:20).

Most of life can be boiled down to a series of binary choices: yes or no; agree or disagree; believe or don't believe; work or leisure; be active or sedentary; and a host of other choices. Our current situation, to a large degree, is a function of choices we have made in the past. Our future, to a large degree, is a function of choices we will make.

When we repented and accepted Jesus as our Lord and Savior, we were saved and gained our citizenship in the kingdom. We are saved through grace and nothing else. But many of the kingdom blessings in this world and rewards in the next depend upon our choices.

Are we thankful to Him? Are we striving to improve our relationship? Do we pray regularly? Do we read the Bible daily? Do we fellowship with other members of the kingdom? Do we strive to order our lives with biblical principles? Are we compromising to worldly pressures? Have we repented of known sins? Are we striving to live a holy and sanctified life? How do we express our thankfulness, faith and love to Him?

The Bible is filled with kingdom blessings and promises. Some promises are unconditional; other promises are conditional. A few of the blessings that depend on our decisions are listed below:

- Provision is provided as we seek first His kingdom and His righteousness (Matt. 6:33).
- Give and it will be given to you. By your standard of measure, it will be measured to you (Luke 6:38).
- All things will work together for your good if you love God and are called according to His purpose (Rom. 8:28).
- Forgive others and your heavenly Father will forgive your sins (Matt. 6:14-15).
- Receive the Holy Spirit and you will receive power (Acts 1:8).
- You will be blessed if you hear the Word of God and follow it (Luke 11:28).

Sometimes we make the decision-making process too complex. We have the infallible Word of God. We have the Holy Spirit living in us. We have the perfect example of our King and Savior.

Kingdom decisions have consequences. Choose life and happiness (Deut. 30:15,19). {eoa}

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