

Kingdom Economics: Obtaining Clarity in a Time of Uncertainty

The Bureau of Labor Statistics' (BLS) January employment report contained a bundle of surprises.

On a seasonally adjusted basis, nonfarm employment jumped 467 thousand, more than three times consensus pre-report estimates. Private employment increased 444 thousand nearly three times expectations. The unemployment rate increased from 3.9 % to 4.0 %. Average weekly hours decreased slightly from 34.7 to 34.5 hours per week. Average hourly earnings increased significantly from 5.0 % to 5.7 % per year.

After the report's release, words such as blowout, blockbuster, stunning and huge were used by the press to describe the details. Many of the releases were prognosticating about how much the Fed would raise interest rates in March with such a strong economy. Other analysts were using words such as skeptical, ridiculous and unbelievable. What is happening? How could some of the most respected analysts and institutions be so wrong in their pre-report estimates?

BLS uses seasonally adjusted models for very good reason. Monthly variation in employment can be significant. Some of this variation is routinely due to holidays, the school year, normal weather patterns and a host of other factors. To accurately measure the strength of the economy and its labor market monthly, seasonal factors must be considered.

The BLS uses sophisticated ARIMA mathematical models to determine seasonal factors. At the end of every year, seasonal models and population estimates are updated and applied to its new estimates, beginning with the January report.

Total employment levels are used by BLS to estimate seasonal factors. The seasonal factors will mostly offset each other and are generally very small (less than 0.5 %) of monthly employment. But month to month changes to employment estimates can be large when new seasonal factors are incorporated.

For example, the new December 2021 seasonal factor added % to total employment in December but resulted in changes to the previously reported monthly estimate of 156 % (from 199k to 510k). For this report, most of the large increase in employment was the result of the updated seasonal models. Understanding the seasonal updating process provides some clarity to the January employment report.

The year 2021 and the start of 2022 are clearly times of great uncertainty. Last year we saw the alpha, delta and omicron variants of COVID-19. Many people swear by the vaccines, while other people swear at them. Some have lost their jobs due to their unvaccinated status and unwillingness to become vaccinated. Many small businesses are under stress due to past and sometimes present COVID restrictions.

Transitory inflation has become more long-lasting. Producer inflation is the highest ever recorded. Consumer inflation is near 40-year highs and increasing. Household budgets are being stretched tighter and tighter because of ever-increasing fuel, rent and food prices. Many items are still experiencing shortages.

We are in a spiritual war. The enemy is attempting to supplant biblical values and principles with his own anti-God agenda. There is a war in the media, the medical community, our educational system, our legal system, our political parties and the global political and economic system. The war is for the futures of our children and grandchildren, our democracy, our economic system, the church, our way of life and ultimately for hearts. This war is not against flesh and blood but against spiritual forces. While some may have despair, we

have hope for we know who wins.

The uncertain and tumultuous times of today are the result of the current spiritual war. Clarity is obtained by seeking the kingdom of God first. When closeness to the Lord is our priority, we gain the perspective and spiritual insight to strategically resist the onslaughts of the enemy for ourselves and others. The Word of God lights our paths, and the Holy Spirit guides us into all truth. We will have clarity in these uncertain times if we have the kingdom first, light our paths with the Word of God and allow the Holy Spirit to guide us into all the truth.

“Your word is a lamp to my feet and a light to my path” (Ps. 119:105, NASB 2020).

“But when He, the Spirit of truth, comes, He will guide you into all the truth;” (John 16:13a).

As citizens in the kingdom of God, we were born for such a time as this. We have been empowered to walk in righteousness, peace and joy in the Holy Spirit, regardless of circumstances. We can introduce sinners and the lost to the King of Righteousness; to model peace in a world of turmoil; and to be a reservoir of inner joy during sadness and hurt.

We can make heaven celebrate as we bring the hurting and lost into the kingdom and introduce them to the King. Our hearts jump with joy when we see lawlessness, fear, anxiety, hopelessness and despair of the formerly lost replaced with new righteousness, peace and joy.

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

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