

Kingdom Economics: The Best of Times and the Worst of Times

The Bureau of Economic Analysis (BEA) estimated first quarter GDP dropped to a negative 1.5% per year in their second estimate. BEA had previously estimated it to be a negative 1.4%, and the markets were expecting a decline of 1.3%.

Higher imports and lower private inventories were the primary culprits for the drop. First quarter inflation was again higher than expected according to BEA. The GDP price index showed annual inflation of 8.1% versus 8.0% previously reported and in pre-report predictions.

Last Friday, BEA released estimates for April. Personal spending increased a more than expected 0.9% (0.7% expected, 1.4% previously). Higher spending is a boost to the economy. However, personal income only increased by 0.4% (0.5% expected, 0.5% previously). Increases in personal spending are outpacing increases in personal incomes. Higher consumer spending is being financed by savings and/or debt.

Higher prices are beginning to take a toll on consumers. Soaring energy, transportation and food prices especially, are causing consumers to make some difficult choices. How do I stretch a limited budget? How do I pay for the items I need? Which items and/or services do I cut? In a survey reported by Yahoo Finance, 84% of consumers were expecting inflation to impact their Memorial Day shopping. Twenty percent expected the change in holiday shopping to be significant.

Similarly, inflation and other burdens are taking a toll on business. Producer inflation is currently running at 11% per year. Producers will pass some of the cost increases onto consumers, but not all the increase. The regulatory burden has

increased for most businesses. The business community is finding it difficult to hire quality employees, to pay them the wages they demand and to keep them once they have been hired. Supply chain issues are widespread.

As the stock markets are indicating, there is a lot of uncertainty regarding future economic performance. Currently, most analysts are expecting a recession, and many are expecting stagflation. Most analysts are expecting inflation to continue at high levels at least through this year and most of next year. Energy prices are likely to move higher through at least the summer and remain at elevated levels through the winter and possibly longer. Any unexpected economic shocks will have large impacts on the economy and prices.

Charles Dickens, in 1859, wrote his arguably best work of historical fiction, called *The Tale of Two Cities*. Many would consider it to be an adventure novel which was set during the French Revolution. Dickens thought that much of his novel applied to his time (1859). The economic, political, social and geopolitical times of today, would also seem to fit. Dickens began his book with the following:

"It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the essence of light, it was the season of darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us."

The opening sentence of the novel could almost be prophetic of our times today. We have reached unparalleled heights of knowledge, communication and scientific advancement. Yet we now disagree on principles and facts that have been settled knowledge for thousands of years.

Stressful times are pushing many in search of faith, hope and love, and are finding it in Christ and the Bible. But in many

public arenas, Christianity and the Bible are openly ridiculed and mocked. Many are seeking purity, while others are practicing the vilest of sins and attempting to normalize them. It is truly a season of hope for Christians and despair for much of the world.

Kingdom citizens are called to be the light of the world, to be like a city on a hill and to be like a lamp on a lampstand. We are told to let our light shine in such a way that others will glorify our heavenly Father. The contrast between light and darkness, truth and error, and righteousness and sin has never been more stark or clear. If we are living our life according to kingdom principles, the contrast will be clear for all to see. We will be like a city on a hill.

"You are the light of the world. A city set on a hill cannot be hidden; nor do people light a lamp and put it under a basket, but on the lampstand, and it gives light to all who are in the house. Your light must shine before people in such a way that they may see your good works, and glorify your Father who is in heaven" (Matt. 5:14-16, NASB 2020).

Our society and world are becoming increasingly polarized. Fence sitters in and out of the kingdom are being forced to take a position. Now is the time for kingdom citizens to be bold, courageous and strong in representing our King in righteousness, peace and joy in spreading the gospel in word and deed.

Dickens ended his book with the following:

"It is a far, far better thing that I do, than I have ever done, it is a far, far, better rest that I go to than I have ever known." {eoa}

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