Kingdom Economics: Walking in Our Kingdom Rights

Consumer inflation came in much hotter than expected. According to The U.S. Bureau of Labor Statistics, the May consumer price index increased 8.6% above year ago levels – the highest inflation since December of 1981and much higher than the 8.3% anticipated.

Inflation was broad-based, with many components seeing significant price increases. Energy prices increased 34.6%, the highest since 2005. Food prices increased 10.1%, the highest since 1981. Shelter costs increased 5.5%, the highest since 1991. Airline fares increased 37.8%.

The root causes of inflation have both demand and supply roots. Increases in aggregate demand and/or decreases in aggregate supply increase inflation. Rapid growth in aggregate demand occurred because the Fed increased its balance sheet to nearly $9 trillion, the federal government increased stimulus spending by $1.9 trillion when the economy was already starting to improve, and consumers returned to spending as they emerged from pandemic restrictions.

Decreases in aggregate supply occurred because of the administration’s war on fossil fuels, the Russian-Ukrainian war and related embargo and general increases in administrative costs faced by businesses. The war on fossil fuels has been particularly harmful, and U. S. average gasoline prices have set record highs for 17 straight days.

To control inflation, two approaches should be taken—demand and supply. On the demand side, the Fed must be more aggressive in reducing the money supply, and the federal government needs to reduce the size of the deficit. Inflation will force the Fed to be more aggressive even with the threat of a slowing economy. Political pressure from voters at least appears to be slowing the appetite of politicians for increased spending.

Increasing aggregate supply will be more difficult to achieve because of the political philosophies of those in power. For example, even if the future of automobiles is all-electric, the U. S. and the world do not have the resources to do it immediately. The electrical grid is not sufficient to support an all-electric fleet. In some sections of the country, the all-electric vehicle is being fueled by coal because of how the electricity is produced. It is difficult to imagine a booming economy until energy costs become more economically viable. Other growth-oriented policies will also be difficult to implement politically.

The Bible is not silent on inflation. Samaria was besieged by Ben-hadad, the king of Aram. As a result, food was in short supply. The people were starving and were even practicing cannibalism. Food prices increased dramatically. But the Lord spoke to Elisha and assured him that by the next day, food would be abundant, and prices would be low. If the Lord can handle mass starvation, He will have no problem handling our 8.6% inflation.

“Now it came about after this, that Ben-hadad the king of Aram gathered all his army and went up and besieged Samaria. So, there was a severe famine in Samaria; and behold, they kept besieging it until a donkey’s head was sold for eighty shekels of silver, and a fourth of a kab [about two quarts] of dove’s dung for five shekels of silver” (2 Kings 6:24-25, NASB).

“Then Elisha said, ‘Listen to the word of the Lord; this is what the Lord says: About this time tomorrow a measure [6.7 quarts] of fine flour will be sold for a shekel, and two measures [13.4 quarts] of barley for a shekel, at the gate of Samaria'” (2 Kings 7:1).

Inflation hurts the poor and middle-class the most. It is like a cruel tax which has not been approved by voters, but nevertheless increases government revenues while draining the finances of the unsuspecting. Workers can get raises while the purchasing power of their salaries continues to fall. In addition, the higher incomes increase their tax liability. Since much of our Lord's teaching involves helping the poor, we must conclude that inflation is never God's perfect will.

The devil comes to steal, kill and destroy. Uncontrolled inflation, steals, kills and destroys. It steals finances, kills dreams and has destroyed entire economies. Inflation is an enemy that must be stopped. Fortunately, our Lord came so that we might have life and have it abundantly. He has overcome all and has all authority.

"The thief comes only to steal and kill and destroy; I came so that they would have life, and have it abundantly" (John 10:10).

We follow these biblical principles to overcome inflation (or anything else). Specifically, we:

– **Seek His kingdom and His righteousness first** (Matt. 6:33). Our priorities are correct. Our loyalty is with Him. We seek His righteousness. We seek to be holy because He is holy. He promises us provision.

– **We store up treasures for ourselves in heaven where it is protected** (Matt. 6:20). The moths and rust of inflation cannot destroy our kingdom treasures. Our treasures consist of doing His will. Preaching the gospel in word and deed, helping the poor and unfortunate, giving our monies and ourselves, and being a light of the kingdom.

– **We exhibit biblical righteousness, regardless of society's mores**. We walk in His peace, regardless of the turmoil around us. We walk in His joy, regardless of our situation or environment. We accomplish this be being empowered by the Holy

Spirt.

“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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