Kingdom Economics: Who Do You Trust?

The Bureau of Economic Analysis (BEA) released its first of three estimates for second quarter Gross Domestic Product (GDP). Second-quarter inflation-adjusted (real) GDP fell at an annual rate of 0.9%, compared to a drop of 1.6% in the first quarter, and pre-report expectations of +0.5%.

The GDP price index measures inflation for all final good and services. Inflation was sharply higher for the second quarter according to this price index. According to BEA, annual inflation was 8.9% for the second quarter, compared to 8.3% in the first quarter, and pre-report estimates of 7.9%.

Are we in a recession? After the report’s release, the Biden administration and the Chairman of the Fed immediately began to argue that we are not in a recession. Since the early 1970s, the popular definition of inflation included two consecutive quarters of declines in real GDP. NBER, who officially identifies recessions, does not include consecutive drops in real GDP in their definition. Since NBER is historically slow to identify recessions, we will probably have to wait a while to know officially.

Regardless, of whether we are “officially” in a recession, the economy is not in good shape. Out of control inflation, a slowing economy, slowing consumption, spot shortages (baby formula for example), high prices of food and energy, widespread financial stress of consumers and businesses and geopolitical issues have combined to create an uncertain economic future.

Some argue that the labor market is strong because there are nearly twice as many job openings, as people unemployed, but this fact can be misleading. We have just emerged from a pandemic and the number of people in the workforce is smaller than pre-pandemic levels. If we use trend line estimates of the workforce before the pandemic, our workforce is 3+ million workers lower. In absolute numbers, we are almost 800,000 workers shy. The labor force shortage is an abnormality, not the result of a strong economy.

Who do you trust? The same people saying we are not in a recession, previously said that our inflation was transitory and that federal spending policies did not cause inflation. James W. Riley (1849-1916) said, “When I see a bird that walks like a duck and swims like a duck and quacks like a duck, I call that bird a duck.”

Perhaps the same reasoning should apply to recessions.

All believers, at some point, must decide who we believe. Do we believe the Lord? Do we believe the Bible? Do we believe and follow the leadings of the Holy Spirit? Do we believe His ministry (apostles, prophets, pastors, teachers and evangelists)? Or do we have more faith and confidence in our political leaders, experts, science, the news, our intellect or our circumstances?

There is nothing wrong with obtaining as much information as possible and practicing good stewardship with our God-given minds to make more informed decisions. However, if the information we obtain disagrees with what the Lord is telling us by whatever channel, a mature Christian will always follow the Lord. The Bible tells us that if we trust in the Lord, He will guide us.

“Trust in the LORD with all your heart, and do not lean on your own understanding. In all your ways acknowledge Him, and He will make your paths straight,” (Proverbs 3:5, NASB 2020).

Failure to seek and follow the Lord in difficult times can cost us our finances, peace, health, relationships and even our lives. Sometimes, it can even cost us our faith. For example, it is not unusual for people to fail to seek the Lord for important decisions, and then when the consequences of those decisions turn out poorly to blame the Lord. It is far easier to seek the Lord first. Seeking the Lord requires trust.

The promises of the Lord are key to overcoming difficult times. Belief requires trust. For example, when financial challenges arise, the Lord promises provision if we first seek His Kingdom and His righteousness. The Word also promises us that we will find righteousness, peace and joy in the Kingdom.

"But seek first His kingdom and His righteousness, and all these things will be provided to you," (Matthew 6:33, NASB 2020).

"For the kingdom of God is not eating and drinking, but righteousness and peace and joy in the Holy Spirit," (Romans 14:17, NASB 2020).

Sometimes, there are stark contrasts between what the Lord is saying and what circumstances and the world are saying. For example, in times of an economic recession, a natural reaction is to pinch every penny a little more. But Jesus tells us many times and many ways that a key to receiving financial blessings is giving. Who do you trust?

"Give, and it will be given to you. They will pour into your lap a good measure—pressed down, shaken together, and running over. For by your standard of measure it will be measured to you in return," (Luke 6:38, NASB 2020).

"And He said to them, 'Truly I say to you, there is no one who has left house, or wife, or brothers, or parents, or children for the sake of the kingdom of God, who will not receive many times as much at this time, and in the age to come, eternal life,'" (Luke 18:29-30, NASB 2020). Let us make a commitment to trust in the Lord above all things, regardless of circumstance, for He is faithful.

“Trust perfected is prayer perfected. Trust looks to receive the thing asked for and gets it. Trust is not a belief that God can bless or that He will bless, but that He does bless, here and now. Trust always operates in the present tense. Hope looks toward the future. Trust looks to the present. Hope expects. Trust possesses. Trust receives what prayer acquires. So, what prayer needs, at all times, is abiding and abundant trust.”—E. M. Bounds

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