Your Kingdom Keys to Weathering Economic Storms

The Dow Jones Industrial Average dropped to 20% below January all-time highs, signaling a bear market last Friday (JP Morgan). Fortunately, the market recovered slightly by the end of trading to move out of bear market territory. However, the DJIA did manage to put together the eighth consecutive week of losses—the longest streak since 1923.

Federal Reserve Chairman Jay Powell reemphasized his position that the Fed would do what is necessary to control inflation. Although he didn't say anything that he had not said before, last week the markets started to believe him and began pricing in the odds of a recession from higher interest rates.

The Fed is facing a quandary. It needs to raise interest rates significantly. Its false belief that the current inflation was transitory caused it to be late to the game. The Fed governors have raised the federal funds rate target 1.0% since the beginning of the year in two 0.5% increments and have announced at least two more 0.5% increases. But the federal funds rate is currently at 1.0%, while consumer inflation is currently 8.3% and producer inflation is 11.0%. The Fed has a lot of catch-up to do, but raising interest rates will slow the economy further.

Expect stagflation (inflation and a stagnant economy). *Business Insider* quoted economist Stephen Roach and top economist Mohamed El-Erian. Roach expects stagflation and argues that even with stock prices at near-bear market levels, the markets are not accounting for massive Fed tightening. Top economist Mohamed El-Erian believes that stagflation is unavoidable.

The U.S., and much of the world, is currently facing headwinds of massive increases in the money supply, huge federal spending, a war in Ukraine that created an embargo of Russian oil and constrained Ukrainian food exports, lockdowns in China and droughts in much of the world. It’s going to be a couple of years before we see anything approaching normal, even if “optimal” policies were implemented now.

But citizens of the kingdom of God have all the grace, favor, giftings and wisdom to not only weather any economic storm, but to prosper and be fruitful during any time of turmoil. We have been promised provision if we seek first His kingdom and His righteousness (Matt. 6:33). We also know that the kingdom of God is characterized by righteousness in the Holy Spirit, peace in the Holy Spirit and joy in the Holy Spirit (Rom. 14:17).

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

In periods of stagnation, when prices are increasing and the economy is stagnant, we have full assurance that we have God’s wisdom in navigating these economic waters. In times of cultural degradation, we are empowered to follow and proclaim His righteous principles as specified in the Bible. In these times of stress, we walk in and model His peace. In times of national discouragement, we have hope for this life and for eternity.

We know that God is totally faithful. We remember a 17-year-old Joseph, who was kidnapped by his brothers and sold into slavery to eventually be owned by Potiphar, who was the captain of Pharaoh’s bodyguard. Even his heathen owner recognized God’s favor over Joseph, and he was put in charge of all. Falsely accused of sexual assault, Joseph was imprisoned. But he was put in charge of the prisoners because the warden recognized the favor of God over Joseph. Through a series of supernatural events with dream interpretation, Joseph became the ruler of Egypt, second only to Pharaoh, when he was 30 years old.

“Now his master [Potiphar] saw that the Lord was with him and that the Lord made all that he did prosper in his hand” (Gen. 39:3).

“The warden of the prison did not supervise anything under Joseph’s authority, because the Lord was with him; and, the Lord made whatever he did prosper” (Gen. 39:23).

Faith, hope and love will always remain. In the worst of times, we have faith in our King: faith that He is with us and faith that we will overcome all. In times when there is no earthly hope, we have hope that like Joseph, we will overcome any circumstance. Because our King first loved us, we love Him and others who are made in His image. He has graciously empowered us to love by filling us with the Holy Spirit. We strive to always model the fruit of the Spirit, for it is the most important. Regardless of circumstances, we persevere in faith, hope and love.

“But now faith, hope, and love remain, these three; but the greatest of these is love” (1 Cor. 13:13).

“Constantly keeping in mind your work of faith and labor of love and perseverance of hope in our Lord Jesus Christ in the presence of our God and Father” (1 Thess. 1:3).

We are citizens of heaven and of the kingdom of God. Our King has overcome all. He created all things. He is all-powerful. He is all-knowing. We are filled with the power of the Most High God. He is with us, and we will be victorious over all regardless of anything happening in the world. {eoa}

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