Kingdom Economics: Choosing A Better Way

Read Time: 4 Minutes 41 Seconds

The Bureau of Economic Analysis (BEA) released its third and final estimate of second quarter GDP (Gross Domestic Product) and its PCE (Personal Consumption Expenditure Price Index). Since core (less food and energy) PCE is one of the Fed's preferred measures of inflation, it was watched particularly closely.

For the quarter, core PCE was an annualized 4.7% (5.6% previously, expected 4.4%). For August, core PCE increased 0.3% for the month (-0.1% previously). Higher than expected inflation will spur the Fed to continue to aggressively increase interest rates.

GDP growth for the second quarter was estimated to be -0.6% which was in line with pre-report estimates. The final estimates confirm that inflation adjusted GDP fell for the first and second quarters. Using traditional definitions of inflation, two consecutive quarters of negative GDP indicate recession. By traditional definitions, we are in a recession.

Over the last 20 months we have experienced a dramatic change in the economy. In January 2021, consumer inflation (CPI) was 1.4%; it is currently 8.3%. In 2021, first quarter GDP growth was 6.3%; it is currently 0.6%. Policies have contributed to the economic malaise.

Economic models show that if you decrease aggregate supply, you increase inflation and slow the economy. If you increase aggregate demand, you increase inflation and stimulate the economy. The war on fossil fuels, an increased regulatory burden and higher business taxes from Washington decreased supply and contributed to higher inflation and a slower economy. Increased Federal spending increased demand and with higher inflation and a stronger economy.

The Federal Reserve had been increasing the money supply for nearly a decade. They were slow to fight inflation. The Fed is currently aggressively fighting inflation by raising interest rates (decreasing demand) which will decrease inflation and slow the economy. The Fed’s policy, if continued, will work but involves a lot of pain for consumers and businesses.

There was a better way. Slowly transitioning to cleaner energy would have been much friendlier to the economy, and if managed correctly could have been a positive for the economy. Smaller increases in environment-friendly spending would have been less inflationary. Large pandemic stimulus funding as the economy was recovering was poor policy.

A business-friendly environment, such as lower taxes and regulations, would have increased supply with lower inflation and more economic growth. Sometimes politics overrides economic decision-making, causing unnecessary pain for consumers and businesses.

The kingdom of God is one of the principle topics of the Bible. Following the precepts of the kingdom allow us to always choose the best way. The kingdom should invade every part of our lives; our church lives, our working lives, our social lives and our family lives. Our King is our guide, healer, provider, protector, restorer, friend, sanctifier and Lord. If we follow His principles and guidance, we can have assurance we are choosing the better way.

Our enemy came to kill, steal and destroy (John 10:10). When he sees our dreams, gifting’s, callings, family, vocations, friends, opportunities, possessions and inheritance, his sole purpose is to steal, destroy, and kill them. He will try discouragement, fear, anxiety, disease, threats, and a host of situations and people to accomplish his purpose.

But our King has been given all authority in heaven and in earth (Mathew 28:18). And He resides in us (Colossians 1:27). Our bodies are the temple of the Holy Spirit (1 Corinthians 1:19). While the enemy may rage, greater is He in us than he that is in the world. We have already overcome the enemy (1 John 4:4). We are citizens in the kingdom of God.

The Lord said the kingdom of God is like a hidden treasure in a field in which a man would sell everything he had to buy the field where it is located (Matthew 13:44). He also said it is like a costly pearl where a man would sell everything to buy that pearl of great value (Matthew 13:45-46). Through grace, we have been offered free citizenship in the Kingdom of God. We are highly blessed.

Although we are offered citizenship in the Kingdom through the love, mercy, and grace of our Lord, the scriptures do contain cautions. We would be wise to pay attention to these warnings.

- We must be born again: “Jesus responded and said to him, ‘Truly, truly, I say to you, unless someone is born again, he cannot see the kingdom of God,’” (John 3:3, NASB 2020).
- Have a child like attitude: “Truly I say to you, whoever does not receive the kingdom of God like a child will not enter it at all,” (Mark 10:15, NASB 2020).
- Obey our King: “Now why do you call Me, ‘Lord, Lord,’ and do not do what I say?” (Luke 6:46, NASB 2020 See also 1 Corinthians 6:9-10 and Ephesians 5:5).
- Seek His Kingdom and His righteousness: “But seek first His kingdom and His righteousness, and all these things will be provided to you,” (Matt. 6:33, NASB 2020).

When we choose to follow our King and become citizens of His kingdom, we can be assured that we are choosing a better way, far better than anything we could design on our own. We can expect righteousness, peace and joy in the Holy Spirit (Romans

14:17) and power (1 Corinthians 4:20).

“And He made us into a kingdom, priests to His God and Father—to Him be the glory and the dominion forever and ever. Amen,” (Rev. 1:6, NASB 2020).

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