

Kingdom Economics: Seek Wisdom, Knowledge and Understanding

The BLS (Bureau of Labor Statistics) released the July consumer inflation report. Consumer inflation moderated a little for July as higher prices for housing and food were offset by lower energy prices. Consumer inflation was 8.5% compared to 9.1% in June and expectations of 8.7%. Core consumer inflation (less energy and food prices) was unchanged at 5.9%, but 6.1% was expected.

Although gasoline prices fell 7.7% for the month, they were still 44% higher than one year ago. Food prices were up 1.1% for the month but were up 10.9% for the year. It was the highest annual food inflation since the mid-1970's.

Our governments solution is lacking. The Inflation Reduction Act of 2022 which recently passed is unlikely to live up to its name and may increase inflation. The act is expected to bring in \$725 billion revenue from a 15% corporate minimum tax, prescription drug pricing reform and enhanced IRS tax enforcement. The act will spend \$369 billion on green energy, and \$64 billion on an Affordable Care Act (Obama Care) extension. The act calls for \$290-plus billion excess revenues to lower the deficit. It is never a good idea to raise business taxes or business costs (regulation) during a recession as it slows the economy and increases inflation.

Current inflation and the challenges the economy faces are mostly the result of unwise actions of our Federal Reserve and federal government. The Federal Reserve kept interest rates too low for too long of a period and increased its balance sheet to nearly \$9 trillion. The federal government has spent hundreds of billions of dollars above what the economy could

handle without inflation, and increased business taxes and the regulatory burden which increases inflation and slows the economy.

A far wiser path would be to decrease business taxes and the regulatory burden. These actions would increase aggregate supply creating the dual benefits of growth in the economy and lower inflation. The Fed should continue to raise interest rates and reduce its balance sheet more aggressively. This simple pro-growth fiscal policy combined with a no-nonsense monetary policy where inflation is the number one enemy is the coordinated policy which allowed Ronald Reagan and Paul Volcker to conquer inflation and set the economy up for decades of prosperity. Our current Fed and federal government could have used more wisdom.

As citizens of the kingdom of God, our King embodies wisdom, knowledge and understanding. Sometimes we pray, and then wait for the Lord to answer our prayers. But we also have a responsibility and stewardship. We are commanded to be a light to the world.

“Then a shoot will spring from the stem of Jesse, and a branch from his roots will bear fruit. The Spirit of the LORD will rest on Him, the Spirit of wisdom and understanding, the Spirit of counsel and strength, the Spirit of knowledge and the fear of the LORD,” (Isa. 11:1-2, NASB 2020).

“You are the light of the world. A city set on a hill cannot be hidden,” (Matt. 5:14, NASB 2020).

Although we are seated in heavenly places, our bodies are on the earth. We have been called, gifted, anointed and empowered to be husbands and wives, fathers and mothers, scientists, plumbers, teachers, mechanics, actors and actresses, writers, clerks, athletes, pastors, mechanics and a host of vocations. We are to be light in our respective vocations. To be light effectively, we need the wisdom, knowledge and understanding

which can only come from our King.

Moses had a problem. He was called to build a tabernacle, but he had no experience in building one. Where could he find a craftsman to work in gold, silver and bronze with the excellence which would be required of a tabernacle for the Lord. The Lord led him to Bezalel who had been filled with the Spirit of God, wisdom, knowledge and understanding to work with gold, silver and bronze. He also filled him with a heart to teach so that his skills could be multiplied. Note that the Lord knew his name, what he was called to do and then empowered Bezalel to do it.

“Then Moses said to the sons of Israel, ‘See, the LORD has called by name Bezalel the son of Uri, the son of Hur, of the tribe of Judah. And He has filled him with the Spirit of God, in wisdom, in understanding, in knowledge, and in all craftsmanship; to create designs for working in gold, in silver, and in bronze, and in the cutting of stones for settings and in the carving of wood, so as to perform in every inventive work. He also has put in his heart to teach,’” (Exodus 35:30-34a, NASB 2020).

As followers of the King, we have the sacred responsibility to represent our King and the kingdom with excellence. We need the wisdom, knowledge and understanding which the Lord is more than willing to give us if we are faithful. He empowered Joseph, Esther, David, Solomon, Nehemiah, Daniel and many others. Paul prayed that the Colossians would be filled with wisdom, knowledge and understanding.

“For this reason, we also, since the day we heard about it, have not ceased praying for you and asking that you may be filled with the knowledge of His will in all spiritual wisdom and understanding,” (Col. 1:9, NASB 2020).

James, through the Holy Spirit, promises that if we pray for wisdom in faith, we will not be disappointed. Let us not be

disappointed. Let us use His wisdom to accomplish all that we are called to do with excellence.

“But if any of you lacks wisdom, let him ask of God, who gives to all generously and without reproach, and it will be given to him,” (James 1:5, NASB 2020).

Dr. James R. Russell *is a professor of economics at Oral Roberts University.*