

## **The Economy**

by Wayne Pederson

Probably the best thing you can do to ease your concern about the economy and your personal economic well-being is to stop watching the evening news on TV. There the gloom-and-doom economic pundits disagree on how bad things are and prognosticate on what might become of life as we know it in the economically rich United States.

I don't know if it's a time for gloom and doom. To be sure this is a time of great economic volatility. The huge swings in stock prices (most down) show the kind of uncertainty and nervousness in our national climate.

This recession, compared to the one in 2001, is hitting the consumer hardest of all. The greatest pain is at the gas station and grocery store.

One of the great problems is easy money. When more money is in circulation, inflation rises. When credit is easy, there is more personal and national debt. Eventually, like the home mortgage easy money policy, it's a house of cards that comes crashing down.

Now we were happy when home prices were appreciating beyond belief. But we're not so happy when the values come tumbling down and we now owe more on our homes than their value. And gas-guzzling vehicles seemed to be a nice status symbol until it started costing most of a \$100 bill to fill it with gas. And rapidly rising retirement fund gave some hope they might step out of the work force early. Now they look at working a long time to provide security, pay credit card bills and buy fuel for travels.

The stimulus plan introduced by Congress doesn't seem to be making an impact on the economy. The stimulus package has been used to buy food and fuel.

When global markets kept prices low, it was good for the American consumer. But when markets raised prices the US trade deficit went even more negative. And a sagging dollar didn't help much either.

But at the heart of all of this is the price of oil. We're learning that oil speculation is having a huge impact on energy prices. I know enough about speculation to know that usually the bubble bursts. And speculators eventually are left holding the bag.

And consumers will help burst that bubble by driving smaller cars, car-pooling, living closer to work, using mass transit, driving for fuel economy, taking vacations closer to home. Gas subsidies are being lifted. Additions to fuel reserves in the US are being halted. U.S. consumption of oil is down 4% for the first quarter of 2008.

And on the positive side, the emerging nations like China and India, in addition to competing for jobs will also be a growing consumer base for U.S. goods and services. We're exporting more to oil-producing and emerging economies.

So how do we respond to the challenge? Don't panic. Understand there are economic cycles. If the government keeps out of trying to control the economy, the economy will correct. And we'll discover alternative energy in hybrid cars and wind power.

T. Boone Pickens, a Texas oilman, is building a \$10 Billion wind farm—biggest in the world. And that not just Texas hot air.

Jesus would say to us: Do not worry about tomorrow.

Matthew 6:31-34

So do not worry, saying, 'What shall we eat?' or 'What shall we drink?' or 'What shall we wear?'  
32 For the pagans run after all these things, and your heavenly Father knows that you need them.  
33 But seek first his kingdom and his righteousness, and all these things will be given to you as well.  
34 Therefore do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own.

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