



INFLATION SURVIVAL GUIDE

BY CHUCK BENTLEY





INFLATION

SURVIVAL GUIDE

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The Purpose of This Guide

THANKS FOR GETTING A COPY OF THE INFLATION SURVIVAL GUIDE.

It is my hope and prayer that this guide will help you to understand inflation and take steps to protect yourself and your finances against the largest growth in costs we have seen in the United States since the 1980's.

"Apart from nuclear war, inflation is the greatest threat to civilization that we have."
Charlie Munger (paraphrased)

We're in the highest inflationary period many have seen in their lifetime, and it may be here to stay, which means we could be headed for prolonged financial challenges. I lived through the 1970's and 1980's and I've seen firsthand the effects of hyperinflation in Zimbabwe, where I held a trillion dollar bill and couldn't buy toilet paper with it. ([See page 16.](#)) I've learned from those experiences and want to pass on some insights that I gained that may be helpful to you.

"The plans of the diligent lead to profit as surely as haste leads to poverty."

Proverbs 21:5 (NIV)

"The plans of the diligent lead to profit as surely as haste leads to poverty" - [Proverbs 21:5](#) (NIV).

It is important to be diligent in our planning to ensure that we remain faithful stewards of the money God has entrusted to us. In the pages to come, I'll define what inflation is, why it happens, and make biblically-based recommendations for a plan of action in this uncertain economic season. Though it may be scary, there is nothing to fear. God is faithful and His Word offers timeless wisdom for every season.

If you're wanting more assistance working through adjustments to your budget, I encourage you to engage with Crown's Budget Coaching Program for one-on-one guidance for your specific situation. <https://crown.org/budget-coaching>

May God guide us as we seek to be found good and faithful stewards during every economic season.



Chuck Bentley

Chuck Bentley
May 2022



Inflation is a silent form of theft. Money is being lost as it sits in your account.



Inflation: What Is It?

Inflation is a decrease in the purchasing power of money.

The costs of goods and services go up, while the value of money stays the same. Translation: we're paying more for less. Gas, groceries, eating out, entertainment – prices are rising in every category. The inflation rate is the percentage calculated for this increase in costs. For the last two decades, that rate has been consistently around 2%; this year, it's reached 8–14% depending on whose [calculations you read](#).¹

Inflation is a silent form of theft. Money is being lost as it sits in your account.

You've likely noticed or have had conversations about car dealerships or the housing market having less inventory but increased demands. With supply scarcity and buyers lining up to purchase what becomes available, prices begin to skyrocket. For the first time in my life, the prices for used cars are going up, not down. Homeowners are receiving multiple bids over asking price for their home in prime markets. These are visible examples of inflation.



What Causes Inflation?

Why does inflation happen?

Inflation is caused by the oversupply of money and the under-supply of goods for that money to be spent on. This means there's a lot of capital available, with too few goods to purchase. It's a supply and demand equation. Several factors play a part in our current inflationary period:

Too Much Money in the Economy

An influx in funds from government sources has increased the amount of money in the hands of people. From the supplemental checks sent during Covid, to the Payroll Protection Program which granted money to businesses, churches and organizations, the supply of money in circulation has increased dramatically over the past 3 years. (See graph on page 15)

Supply Chain Disruption

Covid caused many factories to shut down, creating a disruption of available products. This means there are fewer goods to purchase. For instance, the microchip that goes into new vehicles cannot keep up with the current demand for cars thus we have a shortage. Some dealers are able to charge high fees over the MSRP* for new models.

*Manufacturer's Suggested Retail Price

Monetary Policy

Monetary Policy is "the control of the quantity of money available in an economy and the channels by which new money is supplied. By managing the money supply, a central bank aims to influence macroeconomic factors including inflation, the rate of consumption, economic growth, and overall liquidity."²

Monetary policy includes interest rates that are set by the Federal Reserve Bank. Interest rates have been at historic lows thus increasing the money supply that is being loaned by financial institutions. This also fuels real estate activity when mortgage rates are low.

**Inflation occurs when
there's a lot of
capital available,
with too few goods
to purchase.**

What Causes Inflation (continued)

Fiscal Policy

"Fiscal policy refers to the use of government spending and tax policies to influence economic conditions, especially macroeconomic conditions, including aggregate demand for goods and services, employment, inflation, and economic growth."³

Fiscal policy includes the amount of money the government spends, how much debt is incurred and the taxes levied to run the government. Low taxes stimulate economic growth while higher taxes slow economic growth.

What does this mean for you?

Inflation causes a disruption to a stable economic environment which makes planning, forecasting, and budgeting very difficult. Without a plan to navigate it well, serious damage can be done to your personal financial well-being. When large portions of the population experience economic pain, it simultaneously becomes a threat to the health of the national economy.



How to Recognize Inflation

Examples of inflation are everywhere. An obvious example is the price of gas, but this impacts far more than what you pay to fill up your car. When the price of oil rises, many other sectors experience increased costs, such as the cost for trucking, shipping, groceries, retail goods, and airline tickets.

What about hidden inflation? Have you noticed fewer french fries on your plate when eating out? What about the number of potato chips when you open a new bag? These are all signs of inflation. Businesses have to have a way to make up for their increased costs, so they're passing it on to the consumer. Instead of blatantly raising their prices, they're handing over less product.

Examples of inflation

- Real Estate - buyers are bidding 18-20% higher than the asking price in prime markets.
- Groceries - less product in the bag, and some products are twice the price.
- Gas - "Pain at the pump" is a national average of more than \$4 per gallon for gas. High diesel prices are increasing the prices of everything that is transported by truck.

If inflation is here to stay, we run the risk of what's called hyperinflation.



Can Inflation Be Stopped?

Investopedia offers a few notes on how inflation is stopped:

- Governments can use wage and price controls to fight inflation, but that can cause recession and job losses.
- Governments can also employ a contractionary monetary policy to fight inflation by reducing the money supply within an economy via decreased bond prices and increased interest rates.
- Reserve requirements, which is the amount of money banks are legally required to keep on hand to cover withdrawals, is another tool used by governments to [control inflation](#).⁴

If inflation is here to stay...

There are some experts like [Dr. Michael Burry](#)⁵ who believe that inflation is going to be here to stay. If it's here to stay, we run the risk of what's called hyperinflation which is inflation that spirals out of control. Essentially the value of money declines so rapidly that you literally cannot keep up with it.

Other experts like [John Mauldin](#)⁶ believe that we are headed toward a more complex economic condition called "[stagflation](#)"⁷ and a recession. Others believe inflation will be contained as soon as we see supply chain corrections and monetary policy actions. The Federal Reserve Banks are actively increasing interest rates in an effort to cool demand.

Does the Bible Address Inflation?

We see a clear example of inflation in [2 Kings 6:24-7:19](#).

Ben-Hadad king of Aram pulled together his troops and launched a siege on Samaria. This happened during a terrible famine. This combination brought about inflation so bad that food prices soared astronomically. Eighty shekels for a donkey's head! Five shekels for a bowl of bad food!

We're not sure what that particular menu would go for today, but scripture clearly shows that eighty shekels was a lot for the time. The king called on God for help and the war ended overnight, ending inflation and making food abundant again. God can regulate the economy! He can change it in an instant. This example should give us both a warning of how bad things can get and hope for how quickly they can be improved!

In [Haggai 1:6-7](#), the prophet begs the people to consider their ways as they fill their money bags that have holes in them. They worked hard but made little progress due to their own sin.



**God can regulate the economy!
He can change it in an instant.**

And in [Deuteronomy 25:13-15](#), the rulers are called out for having two sets of weights, unjustly charging the people and inducing inflation in order to benefit the government or vendor. Corruption led to economic pain for the people.

These are just a few examples of inflation in scripture; however, if you read closely, you'll see many others relating to economic principles.

What Does God Say?



Fear Not

God says repeatedly "[Do not fear.](#)"⁸ He is reminding us again and again that He is in control and we can place our trust in Him.



Pray for Our Leaders

[1 Timothy 2:1-4](#) urges us to pray for our government leaders. We need good stewards overseeing our national resources to avoid economic pain, corruption, and a total financial collapse.



Make a Plan

"A wise man thinks ahead; a fool doesn't, and even brags about it!" [Proverbs 13:16](#) (TLB)

PRACTICAL ADVICE TO COMBAT INFLATION

Specific Tips for You:

- 1 Examine your career.
- 2 Adjust your budget.
- 3 Review your investments.
- 4 Make giving your highest priority.



1 Examine where you are in your career.

Some industries benefit from inflation because they pass on the cost to their consumer. There's no slowing down in the travel industry despite rising costs. People are going to do the things that give them joy. People must buy groceries, despite the cost increases. The travel industry and food business are inflation-proof!

If you own a company that is benefiting from inflation, this is a good time to take care of your employees because your payroll can rise in proportion to the rising costs of living.

Ask Yourself:

Do I operate within a business that's going to be safe for the long term if inflation continues?

If not, you need to think about where God would have you work where you're not as vulnerable.

To hedge against inflation, follow Solomon's advice from [Ecclesiastes 11:6](#) and consider an additional source of income. He advises:

Sow your seed in the morning, and at evening let your hands not be idle, for you do not know which will succeed, whether this or that, or whether both will do equally well. (NIV)

Taking on a second job for a season can help you continue to be generous, create margin in your budget, and allow you surplus to invest. It enables you to reduce your risk and puts you in a stronger financial position during an uncertain economy.

2 Think differently about how you manage your budget.

Be sure you have financial margin.

As of this writing, we are at an 8% rate of inflation. This means you need at least an 8% reduction in spending to maintain margin in your budget. Margin is what's left after all expenses are paid. It is money that you haven't spent each month so you have more options to give, save and invest. The bigger your monthly margin, the better.

The Financial Cliff

Why is margin so important? When you spend 100% of your income, it's like walking to the edge of a cliff. During a time of inflation, the increase in costs for your necessities will put you over the edge! Giving yourself margin in your budget allows you to take a few steps away from the edge, closer to safety.

To gain margin, you will need to reduce your expenses. This can be difficult. Check out services like Crown's partner, [Squeeze](#)⁹ to help. Squeeze helps to easily find competitive bids in your recurring bills. It is a great way to find those areas that can save you lots of money over time.

To gain margin, you will need to reduce your expenses.

I learned from my friends in Zimbabwe, that the quicker you can convert your cash into a usable commodity, the better off you are. Gas, food, home essentials such as detergents, eggs, milk, and bread - these necessities should be purchased quickly when prices are rising rapidly. This should be your standard practice if we head towards hyperinflation.



Practical Steps for Increasing Your Financial Margin

- Check out [Squeeze](#)⁹ to find competitive bids on your recurring bills.
- Apps like [Get Upside](#)¹⁰ and [Ibotta](#)¹¹ can help you get cash back on day to day purchases.
- Add Google Chrome extensions like [CapitolOne Shopping](#)¹² and [Honey](#)¹³ to ensure you're getting the best price when shopping online.
- Look into [Laddering CDs](#)¹⁴ to see if it's a worthwhile option for your portfolio.

A photograph of two men in business attire sitting at a table. The man on the right is a Black man with a beard, wearing a blue and white striped shirt and a blue tie. He is looking towards the other man. The man on the left is a white man with glasses, wearing a light blue shirt. He is looking towards the first man. They appear to be in a meeting or discussion. A glass of water is on the table in front of the man on the right.**3**

Consider investing or adjust your investments.

You need to have enough margin to invest in the assets that appreciate during inflationary times. Either you'll hedge against inflation and earn more on your investments or be hurt by it.

If you have no money to invest, you're not going to be able to hedge against the losses that you're having with the money you've set aside in savings. The only way to offset the loss of value on your money sitting in your bank account is to invest in assets that are going up with inflation, like gold - gold goes up when fear goes up, and between the pandemic, the war in Ukraine, and inflation, there's enough fear to go around!

The only way to offset the loss of value on your money sitting in your bank account is to invest in assets that are going up with inflation.

Either you'll hedge against inflation and earn more on your investments or be hurt by it.

Look at your investment portfolio and see how you can rotate investments into areas that will appreciate with inflation. Travel industries, oil and gas, and real estate generally appreciate during times of inflation. Decide where God is leading you to adjust your portfolio. Solomon said to diversify because we never know what tomorrow will bring.

*Neither Chuck Bentley nor Crown Financial Ministries are financial advisors. Please seek professional advice before making any investment decisions.

When you are giving,
you are eternally preserving
the value of money.



4 Continue to maintain giving as your highest financial priority.

I recommend that you make giving your highest financial priority! When you give, two things are true:

- You have absolutely guaranteed rewards in Heaven.
- Money loses its control over your own heart.

It's tempting to tighten the budget and reduce giving when costs are increasing, but giving is still important, maybe now more than ever. Consider the charities and organizations you're giving to. Many of them are not able to adjust their goods and service pricing to account for inflation - it would impact their ministry. And yet, their costs are rising, and their staff needs help too. Could you increase your giving to help them cover their costs? Review your budget and adjust!

Multiply True Riches

Don't do anything out of fear. Don't "hunker in the bunker." Don't turn inward into survival mode. We are not to be survivalists, but sacrificial givers that spread God's goodness to be salt and light in a dark, hurting world.

Inflation, stagflation, and hyperinflation are all indications that the world is fallen and in need of redemption. This is not our home.

Whatever losses we experience are only temporal. We cannot lose what is of greatest value - our relationship with Christ and the wisdom He gives us in His Word.

Our true riches are the things money cannot buy. Invest yourself in gaining those treasures which you cannot lose and giving away what we know was never ours to keep.

Our true riches are the things money cannot buy. Invest yourself in gaining those treasures which you cannot lose and giving away what we know was never ours to keep.

Preserved By Faith

"Remember those earlier days after you had received the light, when you endured in a great conflict full of suffering.

Sometimes you were publicly exposed to insult and persecution; at other times you stood side by side with those who were so treated.

You suffered along with those in prison and joyfully accepted the confiscation of your property, because you knew that you yourselves had better and lasting possessions.

So do not throw away your confidence; it will be richly rewarded. You need to persevere so that when you have done the will of God, you will receive what he has promised. For, 'In just a little while, he who is coming will come and will not delay.' And, 'But my righteous one will live by faith And I take no pleasure in the one who shrinks back.' But we do not belong to those who shrink back and are destroyed, but to those who have faith and are saved." - [Hebrews 10: 32- 39](#) (NIV)

My newest book, [Economic Evidence For God?](#)¹⁵ is a helpful resource to give personal financial and macroeconomic insights from a biblical perspective. I hope you will pick up a copy and prepare for whatever may come by relying upon the principles and practices of God's Economy.

Action Plan

Career

- Do I work in an inflation proof industry? _____
- Is there another career that would better provide for me and my family in this season? _____
- What is one way I can increase my income? Is there a side job I'm interested in trying to help offset expenses? _____

Budget

- Where are three areas in my budget that I can trim some expenses? _____

- What is one app I can look into to help save me money? _____

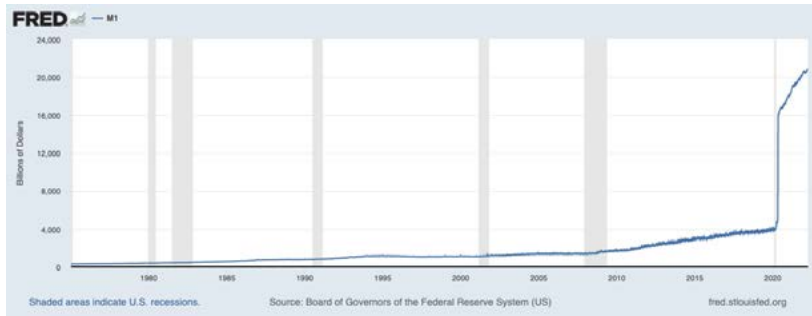
Investments

- Where can I create more margin in my budget so that I have more funds for investing? _____
- Who can I talk to to review my portfolio to adjust for this period of inflation? _____
- What tweaks need to be made to shift funds toward inflation proof industries? _____

Giving

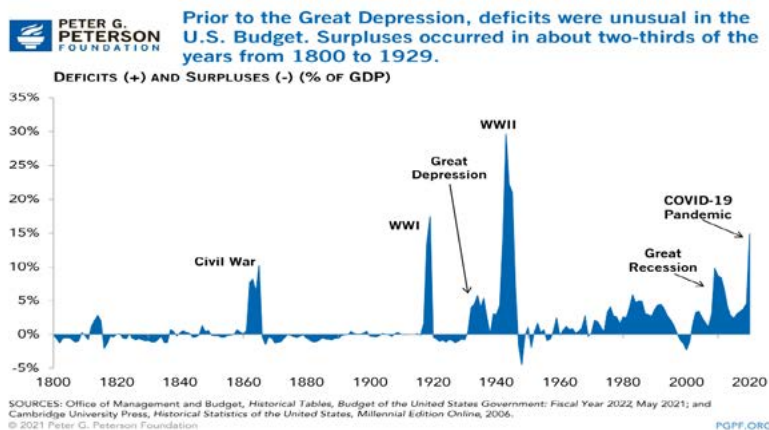
- What's one organization that I can support that may be suffering more due to the rates of inflation? _____
- How can I challenge myself to be more generous during this season? _____

Additional References

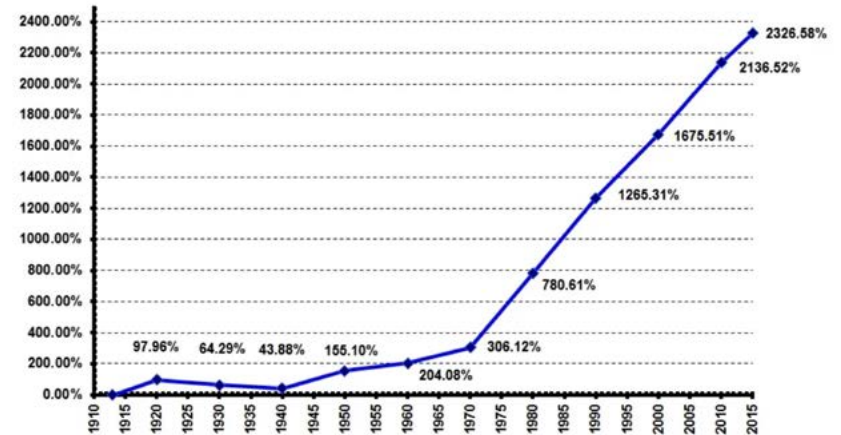
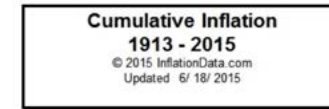


Too Much Money in the Economy

An unprecedented amount of money has been pumped into the U.S. economy in the last three years. With a dramatic increase of capital through the supplemental checks during COVID and the Payroll Protection Program, the effects are ripe for inflation.¹⁶

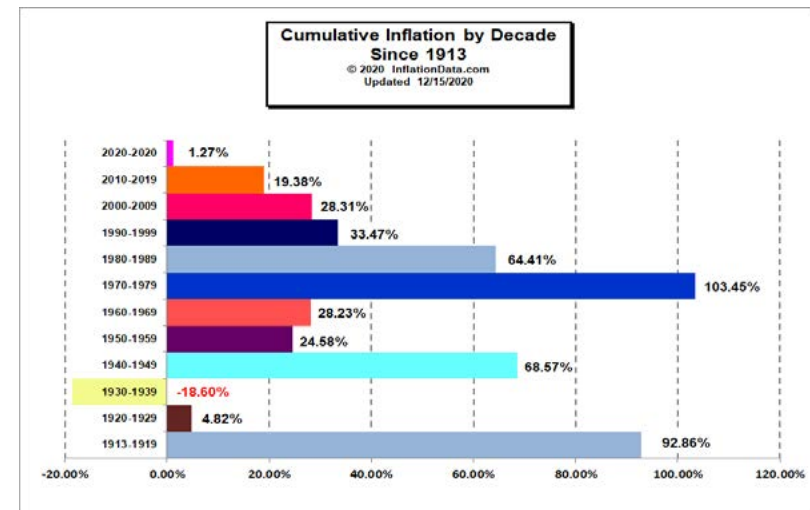


Graph of U.S. budget deficits and surpluses since 1800¹⁷



How Long Does Inflation Last?

Inflation never goes away. In 1913, an item that cost \$1, would now cost \$2,326 – that's the constant rise of inflation, and sometimes it's worse than others. As of March 2022, inflation was estimated to be at 8.5%, this rate varies by country.¹⁸



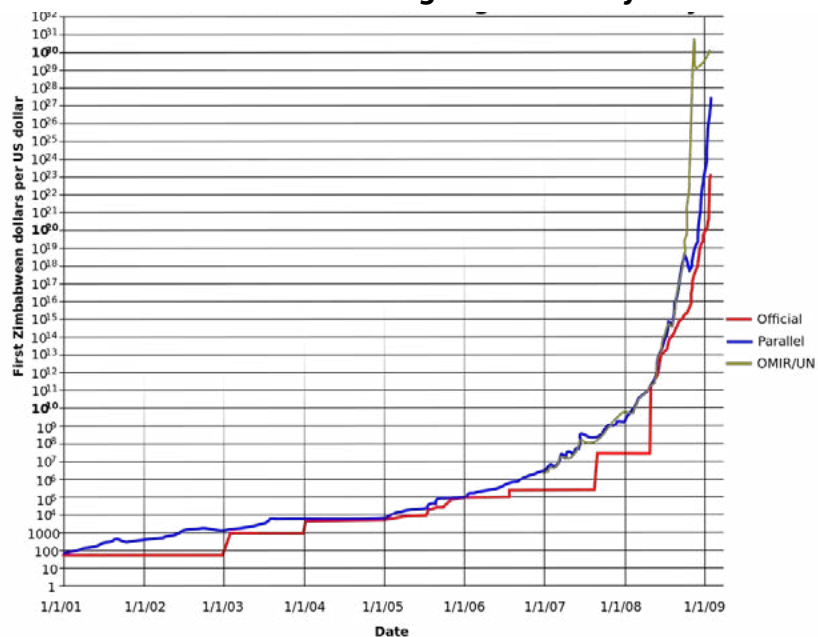
We have always had inflation.

The only time we have ever experienced deflation was in the Great Depression.



One hundred trillion Zimbabwe dollars, one of the highest dollars ever printed. During Zimbabwe's period of hyperinflation, it couldn't even buy toilet paper.

ZWD vs USD Exchange Rate History



Comparing Trends

Here are the exchange rates from Zimbabwe, who has experienced hyperinflation, and the United States.¹⁹

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Endnotes

- <https://www.shreveporttimes.com/story/money/2022/03/19/5-common-questions-inflation/7089993001/>
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For more tips and assistance, visit
www.crown.org/inflation



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