

## **MONEY: ENDS AND TRENDS**

**October 1, 2001**

### **Signs of the Financial End Times – Part I**

In past columns we have reviewed a number of current world trends and developments that fit the types of processes and attitudes that would mark the endtime world. For example, we concluded that the endtime world would chase after three false gods (*Please see the three-part series The Rise of Three False Gods*) and forsake the one and only true God. The world of that day would be deceived. Many, if not all of the Satanic agendas and strategies guiding humanity towards this outcome, we learned, found a strong impetus in the “love of money” — the worship of Mammon. We concluded that the idolatries of the modern day world with its sophisticated and interconnected monetary and economic systems is very likely prefigured in prophetic scripture. Yes, we are definitely living during the time of the “last days” kingdom that the Prophet Daniel foresaw. But just how close are we to the end of the last days? Are we living in the very “season” that should expect Christ’s return at any moment?

Of course, the Bible clearly tells us that we cannot know the exact time of Christ’s return. Yet, we are charged to know the season. “*When these things begin to take place, stand up and lift up your heads, because your redemption is drawing near,*” Christ is recorded as saying in Matthew 21:28. He himself indicated many conditions that would characterize the “season” of his return. In addition, many other characteristics of that time are mentioned in the Bible. Therefore, even though it is not possible to make any specific or precise predictions, we are still able to identify the time of Christ’s soon return.

In studying these endtime world conditions, I find it remarkable how many of them are intertwined with monetary and economic trends. In fact, it’s amazing how much is revealed about endtime finance and money matters. I find many scriptures in the Bible referring to the “last days,” “the time of the end,” “the day of the Lord” ... etc., that provide a broad and general description of the global economic and financial climate during that time. As such, I believe that scripture sheds light on a monetary/financial system that plays a key role in accelerating the world to the point where it gives its worship to the final Antichrist ... the beast “*with two horns like a lamb*” (Revelation 13:11-17). In my view, there is no doubt that the Bible speaks about endtime world economic affairs. In that sense, financial markets and systems themselves are almost a barometer of the last days.

In this series of articles, I will present and summarize 12 financial and economic signs of the endtimes. Why am I only covering those signs with financial and economic linkages? It’s not only because I want to focus upon my area of expertise. The answer is found in Matthew 21:34-36:

*“Be careful, or your hearts will be weighed down with dissipation, drunkenness and the anxieties of life, and that day will close on you unexpectedly like a trap. 35For it will come upon all those who live on the face of the whole earth. 36Be always on the watch, and pray that you may be able to escape all that is about to happen, and that you may be able to stand before the Son of Man.”*

In these verses, Christ clearly tells us here that “*that day*” will snap shut upon many like a trap. Here, we are alerted to the fact that some developments will emerge during that time that will catch many people and hold them hostage. Apparently, because of

this many people will be unable to “tell the times” nor to easily resist the trap. Something will have ensnared much of humanity.

Christ tells us why much of humanity will fall into this trap. Conditions of “*dissipation, drunkenness, and anxieties of life*” are named as some of the contributing influences. All of these human attitudes can and do find expression in financial and economic terms. In fact, a modern day economist would have no trouble finding equivalent words — consumer society, a leisure and entertainment boom, booming sin industries, debt trap, employment insecurity ... and the list could go on. Indeed, we are to expect an endtime trap. With that short introduction, we begin this new series.

## 1. A Great Increase in Wealth

A prominent financial characteristic of the last days is clearly revealed in the Book of James. “*You have hoarded wealth in the last days*” he charges in his prophecy to rich people in James 5:3. “*You have lived on the earth in luxury and self-indulgence. You have fattened yourselves in the day of slaughter*” he goes on to say. It’s a development that is already well underway today. Wealth has virtually exploded this past century.

Total wealth in the world has multiplied by at least 40 times this past century to more than \$250 trillion<sup>i</sup>. Never before in the entire history of mankind has wealth accumulated so quickly and to such an enormous level. Of course, a big reason why the growth in wealth has jumped so sharply is because of rapid population growth throughout much of the past century. All the same, per capita wealth (the average wealth for each person in the world) has multiplied by at least 10 times over this same period. Another way of looking at this sudden explosion in monetarily valued wealth is through economic output. Suddenly, this past century it has boomed as well. According to the estimates of Brad Delong of Berkeley University, the monetary value of the average human’s economic output in the world has boomed rising to over \$6,500 by the year 2000 from only \$115 or so at the start of the first millennium A.D.. (Figures are in US dollars adjusted for inflation.) The accompanying chart shows how suddenly this increase has occurred in recent times.

One type of wealth — financial wealth, though subject to violent ups and downs (lately down) — is surely booming. Having studied the three false gods — GLOBO, MOFI and SCITE — in an earlier series, we already know that today a greater and greater proportion of mankind’s activities are being captured in a financial form. As explained, that means much more of what society regards as wealth today finds an expression in the form of stocks, bonds, deposits or other types of financial instruments and securities.

However, a simple tallying up of all the financial securities in the world is not a valid way of estimating true wealth. There can be more financial assets in existence than there is wealth. As we briefly uncovered in the exposé of MOFI, there are layers upon layers of financial relationships in an economy. Taking the US as an example, approximately \$80 trillion dollars of financial assets exist.<sup>ii</sup> Yet, total net financial wealth in the US is probably no more than \$55 trillion<sup>iii</sup>. The simple reason for this is that there is a lot of debt. While debt is something that is owed *by* somebody, it’s also owed *to* somebody. For this latter person — the lender — debt is therefore counted as an asset. The more debt, the larger the size of the world’s financial economy. Yet, real wealth may not have increased. If there were no such thing as debt, the financial economy of our day would not be so large, intrusive and controlling in our lives and the affairs of the world.

Given society’s fixation with financial markets, the velocity of the advance of securities markets is therefore very interesting. Advances in this area have been

exponential during the past century ... especially so in the past two decades. We can track this development by measuring the growth in their total market values. Including an estimated value of the global bond market, the world's pool of securities is now worth more than \$60 trillion.<sup>iv</sup> That's double what it was less than 10 years ago (measured in US dollar terms) despite the financial crashes of emerging markets, Japan and the dotcoms during this period. Had these markets participated in the general uptrend during this time, the total value of global securities wealth would have risen by a factor 10. All the same, securities wealth now amounts to more than twice the value of all the annual income of every person on earth. It is hard to imagine that wealth is being created this easily yet it is a phenomenon that is widely accepted. But obviously, a lot of this increase in value is not real wealth. It couldn't be as it isn't supported by a commensurate increase in the underlying savings or income of the earth's wage earners. Wall Street (a cover-all term for the world's financial service industries) can spin any kind of story to justify clients' investment activities as they may wish during these times. The fact is that much of this explosion in financial values that the world has experienced in recent decades is based upon bubble economics and mad idolatries. Whatever the case, we can safely conclude that wealth has literally exploded to the upside in recent generations. The "apparition of wealth" as is demonstrated in a boom in financial wealth has literally boomed ... suddenly.

It is interesting to note that the last of the seven churches addressed by Apostle John in the book of Revelation is one that has become fat, wealthy and contented ... one that has fallen asleep. Its attitude is complacent and smug. This church says "[...], *I am rich; I have acquired wealth and do not need a thing*" (Revelations 3:17). If this church is intended to be an allegory of the church in the endtime — the last church — it certainly parallels the explosion of wealth foretold of the last days.

In conclusion, we can certainly say that wealth has boomed in the world over the last century, speeding its advance at an ever more rapid pace in recent decades and years. As such, it definitely marks a condition of the endtimes. What it means, too, is that the temptations of wealth has become much more perilous and pervasive. Christ's admonishment that "[...] *it is easier for a camel to go through the eye of a needle than for a rich man to enter the kingdom of God*" (Matthew 19:24) is not an empty threat. A world whose heart is burdened down with the cares of this world and its material temptations will not easily find its way to God.

Christian's — the church at large, in other words — will have shared in the spoils and complacency of this boom in wealth. In that respect, it's hardly unlikely that attitudes of worship will not have been affected. The idols of material wealth will surely have found their way into the inner sanctuaries of Christ's church.

Next month, I will cover the second and third signs of the Financial Endtimes, an increasingly unequal distribution of wealth and a rise of greed.

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<sup>i</sup>Estimating world wealth is a hazardous exercise at the best of times. My estimate is only intended to be indicative if not approximate. I use world estimates of World Gross Domestic Product (GDP) from J. Bradford DeLong of the Department of Economics, U.C. Berkeley as the base figure and then multiply by five to reach an estimate of total wealth. While this surely is a gross underestimate, it is nevertheless based upon some rigor. Using the Flow of Fund statistics

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of the US Federal Reserve as a proxy, a multiple of five times GDP is a very conservative estimate. At the end of 1999, the Federal Reserve estimates total US wealth at market value in excess of \$55 trillion. As US GDP for 1999 is estimated at little more than \$9 trillion, this implies an actual GDP/wealth multiple of approximately 6 times.

<sup>ii</sup> Federal Reserve Statistical Release, Flow of Funds Accounts of the United States, Third Quarter 1999, Flow of Funds Matrix for 1999, \$76.1 trillion. I have estimated the increase in financial assets for the 1999 year at approximately \$4 trillion. Combining the two figures, total financial assets at the time of writing exceeds \$80 trillion in the United States.

<sup>iii</sup> Ibid.

<sup>iv</sup> Sources for this estimate include the International Monetary Fund, Bank of International Settlements, Morgan Stanley Dillon Reed, and others.