



FROM THE DESK OF
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Perspective · Strategy · Opportunity

Each month I share my perspective on the economic, business, and leadership – not simply to understand, but to challenge how we think, expand what’s possible, and empower decisive action.

Modern Monetary Theory and The End of Cheap Money

Modern Monetary Theory rested on a simple premise: a government borrowing in a currency it controls can always create more of that currency to meet its obligations. Government debt was treated less like conventional debt and more like a financial transaction.

The limitation MMT argued was not debt itself but the inflation that could follow excessive spending. In other words, government could create as much debt as needed to pursue its priorities as long as it managed inflation.

What the theory neglected was the role of investors in buying that debt. Any hesitation on their part would drive up the cost of debt in a vicious cycle.

That distinction matters now. The US Treasury expects to borrow \$739 billion during the 3rd quarter and another \$628 billion in the 4th. The budget office projects net interest costs above \$1 trillion in 2026. That reveals the scale of capital demand.

MMT is only part of a much larger story. Sticky inflation, enormous government financing needs, geopolitical uncertainty, and global competition for capital are all factors contributing to an environment in which long-term interest rates may remain stubbornly higher.

Key Takeaway

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Despite numerous calls for lower rates, it may not be possible. Plan for capital to remain more expensive and treat materially lower rates as an opportunity rather than a requirement for strategies to work.

Judgment: The New Scarcity

For generations, access to information created an advantage. Those who knew more, received information sooner, or had access to better research could make decisions others could not. That advantage is rapidly disappearing. Information is now abundant, instantaneous, and available to nearly everyone.

But more information does not automatically produce greater clarity. It can create a new problem: everything competing for attention amplifies competing narratives, and urgency is confused with importance. The scarce capability is no longer finding information. It is determining what matters, what can be ignored, and how the pieces fit together.

That makes judgment the real source of value. Judgment is the ability to interpret information in context, recognize what is changing below the surface, and make sound decisions before certainty arrives. When everyone has access to the same information, the advantage belongs to those who can see more clearly and act with conviction.

The advantage no longer belongs to those with the most information, but to those who can turn information into understanding – and understanding into timely action. In an environment where nearly everyone has access to the same facts, judgment is what separates those who react from those who anticipate, position, and lead.

Behavioral Shifts

It is widely accepted that consumers are under pressure, leading to changes in how they spend. They are becoming more selective, delaying larger purchases, and trading down in some categories.

What is often overlooked is how the adjustments made under pressure can create behavioral shifts that persist long after the pressure has eased. Consumers discover alternatives, become comfortable postponing purchases, reconsider what they value, and develop new expectations around price and convenience. What begins as necessity can eventually become preference.

That matters because leaders often plan for a return to the previous normal once conditions improve. But the consumer who emerges from the pressure may not behave like the consumer who entered it.

The strategic question, then, is not simply when the consumer will recover. What will the recovering consumer value differently?

KEY INSIGHT

Whether you lead a business, ministry, or other organization, do not focus only on navigating the immediate challenge. Watch for the new patterns being formed within it. The leaders who gain advantage are often not those who survive disruption, but those who recognize early that the environment has changed – and adjust their strategy for the behavior that comes next.

Final Thoughts

The greatest opportunities are rarely obvious in the beginning. By the time everyone recognizes what is happening, much of the advantage has disappeared.

Look beyond the immediate story. Question what is changing underneath it. What assumptions are beginning to break? What behaviors are becoming permanent? Where is value quietly moving? What will become more important if the current direction continues?

You don't have to predict the future perfectly. The advantage comes from learning to recognize what is changing before it becomes obvious to everyone else.

The future is yours to own. What will you build with what you've been given?

Continue building, governing, and creating opportunity where others only see uncertainty.

Until next month,
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