

## MoneyMatters Column #9

**Serving both money and God will lead to conflict. *Investing morally can carry steep price.***

*Wilfred J. Hahn*

Recently I accompanied a friend to a meeting with a respected investment management firm. He was in the process of selling his business and wanted to structure his financial affairs in preparation for semi-retirement. Though he had a graduate business degree and was obviously capable of running a sizable business, he felt on thin ice when it came to financial investments. Who wouldn't? With the myriad of investment products available and the barrage of high-sounding investment language, most people would be confused and perhaps easily bamboozled. Given my friend's situation, I offered to accompany him to an exploratory meeting with an investment advisory firm to begin the search process.

Listening to this firm's presentation with my friend was a worthwhile experience. Normally I am on the other side of the table. We listened to the representative's outline of his company's skills and products. It was fairly typical as these meetings go ... until near the end, at least. Then, my friend rejoined the advisor with the comment, *"I'm not just interested in good investment performance. It's secondary. I want my money to be managed morally."*

I was both enthused and deflated at the same time when my friend said this. I was impressed that he was intent on taking responsibility for the use of his assets—what God had given him. Yet, I was also dejected because I know how difficult it is to have one's financial affairs truly managed in a Christ-honoring way in our secular financial world.

A number of issues worthy of examination are triggered by his response. Let's deal with just one of them in this column. Is moral investing incompatible with good financial returns?

One of the messages sometimes implied by Christian teachers and investment advisors alike is that applying Biblical principles will lead to above average investment performance. It is not always clear what is meant by this claim. Some suggest that a Christian investment advisor will make more money for you because they are "spirit-led." (*That's a hot potato I won't tackle in this column.*) Others may simply mean that God will bless people financially if they pursue Biblical-based stewardship principles. Is that really so?

What if financial markets are fundamentally immoral? In essence, this is true. Even George Soros, the legendary billionaire hedge-fund manager admits this perspective. Is it then reasonable to expect that Christians as a group should demonstrate above average success with their financial investments? There are no hard and fast answers. There will be situational exceptions to every one. Yet, one thing must be true. Morality cannot be measured in terms of financial return. Christ could not have been clearer on this point. The two do not mix. One must be first pursued at the potential cost of the other as it is impossible to serve both God and money. How can money then be used to measure what is of God?

There are organizations that offer “ethical” funds. They raise an example of this dilemma though these should not be confused as being “Christian.” I believe many of them pursue worthwhile objectives. Yet, should investors expect that “ethical” funds also outperform other funds? Many investing in them believe that they “can have their cake and eat it too.” The truth is ethical funds would quickly lose their attraction if they were sold on the expectation of below-average investment returns. That’s why many of these funds find their objectives comprised in order to remain commercially viable.

In my experience, investing morally can carry a steep price at times. If Christian holiness is your objective, you have no business comparing the outcome of your financial stewardship with worldly market indicators. Of course, that’s not to say that investment decisions born of a stewardship attitude will not prosper. It’s a matter of attitude. First serve God. The money may follow.

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