Practical Stewardship Guidelines

How Christians Should Steward Their Possessions?

In these times of great financial uncertainty, volatility, and intense temptations to join the world in the mad rush to build a heaven of material prosperity on earth, just how should we manage our savings and investments?

Investing in today's financial markets is a high stakes game that has little to do with sound stewardship. It's all about brinkmanship and gambling, playing the world's frenzied and unprincipled game of wealth maximization. The fruits of this game are obvious: anxiousness, greed, fear, and lack of peace. In the meantime it is luring many investors into the belief that wealth can be created from magic.

For those of us who do have money invested in longer-term financial assets such as stocks and bonds, how should we manage them? Actually, almost everyone will be exposed to financial market trends in one way or another. Even though we may not invest in stock and bond markets directly ourselves, our insurance policies and future pensions claims are backed by such investments. Government pension systems are also dependent upon financial and economic conditions. The fact is this: Whether we are direct investors or not, our lives are inextricably tied up with the world's financial system. Even though we may have overcome the ensnarements of a materialistic world system within our hearts, the global financial/commercial colossus has become so pervasive and invasive, that we must still take account of its dangers to our physical livelihoods.

Here are some approaches to consider when stewarding savings, beginning with the basics:

1. **Always examine motives:** Why are you investing? Is it a humble and balanced stewardship ethic that is governing your financial savings activities? Or, is it purely the lure of high financial returns — yours, or those that others are bragging about — and the intoxication of past gains that is driving your ambition? If so, disappointments lie ahead eventually, perhaps sooner than we may think. Those are precisely the emotions that conspire to pull you into the maws of a m*oney snare.* We are reminded: "*For where your treasure is, there your heart will be also*." **(Matthew 6:21)** Those who are rich are commanded *"not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment."* **(1 Timothy 6:17)**. We are further warned that ***"****People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction."* **(1 Timothy 6:9**

2. **Be a steward, not a hoarder:** I believe that God's economy is mainly composed of flows, not overstuffed storehouses of idle money. Just as God is love in motion — love lived — so it should be with money. Of course, we need to save for our future anticipated needs and to fund the activities of our businesses and livelihoods. However, there comes a point where the act of saving becomes hoarding. In this sense, for the saints, all savings must be done in a spirit of stewardship. In contrast, the world promotes the spirit of hoarding; the pursuit of earthly wealth as a measure of success; a bulwark of security; to satisfy boasts. Be a flow-person, not a hoarder. Most all of God's gifts to us, whether the gifts of the Spirit or material resources, are meant for sharing and the blessing of others through our giving in turn.

3. **Trust God and live humbly:** Let the world go by in its frenzied hunt for wealth and prosperity. These days, that means high caution is in order with respect to most stock and bond markets. They are the object of a crazed lust for wealth. Rather, I think it is better to store one's savings in safer investments that are not the object of greedy affections. In my estimation, such investments would include short-term treasury bonds and treasury bills as well as investments in solid, private businesses.

4. **Gain control of your savings:** Gain as much control of your savings as possible so that you can determine how they are invested. The investment recommendations of professionals such as pension fund consultants, actuaries, and mutual fund managers … etc. may be well-meaning, their recommendations can still be harmful. Many are simply unknowledgeable and deceived — a case of the blind leading the blind — who, like all of us, need to put bread on the table. Sadly, others who do know better, may consciously recommend hollow solutions in the pursuit of their own narrow self interests. Of course, it remains that all advisers, no matter how sincere and trustworthy, cannot reliably predict the future. As a rule, wherever you can, seek control of your own investments. And where you can't do so (such as may be the case in a company defined-benefit pension plan or an endowment insurance policy), or in the case of a complex investment which requires professional help (a real estate partnership or a specialized mutual fund) scrutinize, scrutinize, and again, scrutinize. In the end, how your savings are invested is still *your* responsibility.

5. **Follow common sense:** If an investment or financial deal sounds too good to be true, it probably is. High returns usually require a higher level of risk or speculation. Whenever a promised interest rate (for a given time frame) is substantially higher than a competing investment, beware. There must be a reason. The financial institution that is offering this interest rate must earn enough on the money that you invest with them in order to pay you the promised return. Given the competitive financial systems we have today, the only way a financial institution can offer a substantially higher interest-rate return is to take on more risk. Determine why one financial institution is able to offer substantially higher returns than another.

6. **Understand Risk and its Popular Perception:** Risk is not always a bad thing. Why? Firstly, it is virtually impossible to escape all risk. Nothing is 100% secure nor predictable. Therefore, it is important to try assess the risk of any investment and to determine whether it is personably tolerable and sufficiently cheap. Risk must always be equated with potential return. However, it takes strong discipline to be able to discern the price of risk. Most people will find themselves too

influenced by popular opinion and mood. For example, when most people fear that financial market declines lie in the future, risk is unusually cheap. This does not mean that one should take a standard perspective of contrarianism. However, the notion that the madness of crowds is usually wrong has a Biblical parallel*: "For wide is the gate and broad the road that leads to destruction."* **(Matthew 7:13)**

7. **Research Extensively:** When researching an investment option, seek information from sources other than the firm or person offering the opportunity. The promoter of an investment is likely to have a one-sided perspective. Even better, seek financial knowledge from an alternative source that has no obvious biased interests … in other words, an incentive in having you buy the investment from them. Sources for such information are newsletters or financial counseling services that do not derive any support or income from the sale of investments.

8. **Don't make exceptions because of religious affiliations:** If you are approached by a self-proclaimed Christian financial advisor, hold him or her accountable to the same standards you would apply to anyone from whom you would seek investment advice. To date, I have come across no evidence that suggests that people with religious connections are more successful investors than others. Why should Christians be more adept at beating the odds in godless investment markets than the wicked? All too often, Christian investors are fleeced by con artists. They like to prey on the faithful because they are quick to drop their guard the moment a religious association is implied.

9. **Save More:** Even though it will be difficult to find a good storehouse for your retirement nest egg — one that will remain secure for a long period of time until you pass on — you must continue to save. In fact, you must save more than other people if you wish to claim a higher-than-average income when you retire.

10. **Get an ultimate claim upon income:** Ultimately — especially so in a world of declining population growth — all financial values must rest on basic income (labor) That's an aspect of the human economy that will always remain true, no matter how sizzling and futuristic the world may seem. Pay less attention to capital appreciation alone. Whenever opportunities avail, invest your savings in securities or ventures that have a strong prospect of continuing to deliver income — whether markets rise or collapse. To the extent possible, make absolutely sure that you have a claim on investment earnings — quality interest and dividend income. Along with liquidity, it's these things that are expensive and scarce during difficult times.

11. **Try to avoid assets that can be manipulated:** Choose investments that are least subject to manipulation. Admittedly, during this late stage of Global Capital most a very large part total financial wealth is in the form of marketable securities. Securities markets are notoriously easy to manipulate by monetary authorities and owners or managers of large pools of financial wealth. For the long haul, minimize the type of investments whose value can fluctuate suddenly and wildly with supply and demand. As much as practicable, avoid securities markets and diversify savings into non-listed type of assets.

12. **Seek other types of savings and income:** Invest savings in stores of value other than in financial securities markets. Direct ownership of businesses and real property with good income prospects and/or real estate would be recommended ways of diversifying future income potential.

13. **Invest in your extended family:** Remember, in times past, retirement lifestyle depended on the amount of children and the size of the future extended family one had. Why? It was the income potential of this group that could be relied upon to support you during your retirement years. It's still no different today, though mainly in a socialized form in developed countries. Here finances intersect families. Both are about developing future income potential and are actually directly related. So what to do? At the very least, it makes good sense to invest in relationships with children. You never know. You may need to live with them someday as do more than two-thirds of the world's elderly. Encourage them to be productive future citizens and hope that it will translate into superior income power for your extended family.

The above list, though not intended to be a comprehensive stewardship guide, if followed along with the plan laid out in 2 Peter 1:4-7 (presented in Chapter 18 of the book, The Endtime Money Snare: How to live free)) should indeed result in true wealth with eternal value — godliness with contentedness.

If not otherwise noted, all scripture references are taken from the New International Version (NIV) of the Bible.