

SEVEN KEY PRINCIPLES FOR CHRISTIAN INVESTING

A Kingdom Perspective



Special Report

Sound Mind Investing
Financial Wisdom for Living Well

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Introduction

How does “Christian investing” differ from investing generally? Is it a matter of avoiding all risk? Of refusing to invest in certain companies? Of seeking out only “Christian” investments?

Actually, a Christian approach to investing begins with an attitude — an attitude of seeking God’s glory. Indeed, our premise at Sound Mind Investing is that the number one priority for a Christian investor is to glorify God.

In this Special Report, I will discuss seven core principles of “investing for the glory of God.” And I’ll explain how these seven concepts also yield great benefits to you, the Christian investor. Because not only does investing for God’s glory honor the Lord, it also provides significant safety for investors.

I have become convinced that it is ultimately impossible to self-destruct financially if your decision-making is pointed in the direction of God’s glory.

I also have learned that to find peace of mind in investment decisions, it’s important to become an *initiator* rather than a *responder*. Initiators have a concrete game plan in mind. They have made the effort to develop a strategy consistent with their long-term financial goals and personal investment temperament.

An investor who is an initiator is like a grocery shopper buying ingredients for a *specific recipe*. When confronted with “great deals” that aren’t on your shopping list, you can simply pass them by and stay focused on your plan!

Another thing to keep in mind is the difference between investing and speculating. Speculating involves taking a level of risk so great that it’s theoretically possible to lose most (or all!) of the money you have invested.

Investing, on the other hand, involves putting your money to work, subject to modest levels of risk, in a commercial undertaking where you expect *a reasonable return over along period of time*.

What’s reasonable? I would suggest 3%-5% above the rate of inflation.

Think of it this way. Investing isn’t about getting rich quick. It is about growing wealth over a long period of time, so that you can (1) provide for future needs (such as college and retirement), and (2) have more resources to give to support the Lord’s work.

With that bit of background, let’s focus now on seven “core principles” that I hope will guide your thinking and your actions as a Christian investor.

Cordially in Christ,
Austin Pryor



1

CHRISTIAN INVESTING ACKNOWLEDGES GOD'S OWNERSHIP

How much do you own? A lot? A little? Somewhere in between? Actually, those are trick questions! According to the Bible, you and *I don't own anything*. It is God who owns it all!

“Yours, O LORD, is the greatness and the power and the glory and the majesty and the splendor, for everything in heaven and earth is yours. Yours, O LORD, is the kingdom; you are exalted as head over all. Wealth and honor come from you; you are the ruler of all things. (1 Chr. 29:11-12, emphasis added)”

This claim of God's ownership also is found in the Book of Psalms:

“The earth is the LORD's, and everything in it, the world, and all who live in it; for he founded it upon the seas and established it upon the waters. (Ps. 24:1-2, emphasis added)”

God's ownership of all things includes: “your” money, “your” cars, “your” house, and, yes, “your” investments!

2

CHRISTIAN INVESTING ACKNOWLEDGES GOD'S SOVEREIGNTY

When you make investments as a Christian, you recognize that you are not investing what belongs to you; you are investing what belongs to the Lord.

Not only is God the *owner* of all things, Scripture says He is also *sovereign*. Being sovereign means “possessed of supreme power that is unlimited in its extent, enjoying autonomy, having undisputed ascendancy.”

As the Creator of all things, God is sovereign over everything He has made — but for the follower of Jesus Christ, He is also sovereign in a radically different sense. He is

sovereign *in our lives* because of who we are in Him:'

“This is what the LORD says...I am the first and I am the last; apart from me there is no God.... I am the LORD, who has made all things.... I say: My purpose will stand and I will do all that I please.” (Isaiah 44:6, 24; 46:10)

These first two concepts — God’s ownership of the world and His sovereignty over all things, including your life — are foundational understandings for the Christian investor

Do you not know that your body is a temple of the Holy Spirit, who is in you, whom you have received from God? You are not your own; you were bought at a price. (1 Cor. 6:19-20, emphasis added)

Miss these and it will be like choosing the wrong direction at a fork in the road — you will be off course from that point forward.

3 CHRISTIAN INVESTING ADVANCES GOD’S KINGDOM

Did you know that God has a purpose in mind for our stewardship? One passage of Scripture where we learn about His purpose is in Ephesians 2:10:

For we are God’s workmanship, created in Christ Jesus to do good works, which God prepared in advance for us to do.”

This is why we at SMI have never considered teaching about various investing skills and strategies to be an end in itself. We teach these things to help people 1) become *better stewards of God’s resources*, so that they 2) *have more to give to the Lord’s work*.

As Christian investors, we seek to use the resources God has entrusted to us as a means of playing our role, however small it may seem, in the growth of His kingdom and the accomplishment of His purposes.

One reason Christian investing glorifies God is because it is *motivated by a desire to see His kingdom expand.*

As Christian investors, we seek to use the resources God has entrusted to us as a means of playing our role, however small it may seem, in the growth of His kingdom and the accomplishment of His purposes.

Over the years, I have developed a series of Scripture-based principles that guide me as I make financial decisions. These principles (listed as bullet points below with related Scriptures), remind me that my investment choices are made in the context of God's unfolding purposes for the world.

- **Since I have nothing that was not given to me, I have no basis for pride, only gratitude.**

For who makes you different from anyone else? What do you have that you did not receive? (1 Cor. 4:7)

And my God will meet all your needs according to his glorious riches in Christ Jesus. (Phil. 4:19)

- **Along with wealth come management responsibilities, not ownership rights. Being a steward is a lifelong calling that requires me to live with an eye on eternity at all times.**

So if you have not been trustworthy in handling worldly wealth, who will trust you with true riches? And if you have not been trustworthy with someone else's property, who will give you property of your own? (Luke 16:11-12)

If anyone would come after me, he must deny himself and take up his cross and follow me. For whoever wants to save his life will lose it, but whoever loses his life for me will find it. What good will it be for a man if he gains the whole world, yet forfeits his soul? (Matt. 16:24-26)

- **My primary management responsibility is to be available to God for Him to think, act, speak, write, and give through me, so that His will is accomplished and His name is glorified.**

If you remain in me and my words remain in you, ask whatever you wish, and it will be given you. This is to my Father's glory, that you bear much fruit. (John 15:7-8)

So whether you eat or drink or whatever you do, do it all for the glory of God. (1 Cor. 10:31)

- **Wealth is exceedingly dangerous. It has a history of spiritually devastating those who seek it, and must be handled with great care by the Christian investor.**

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. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs. (1 Tim. 6:9-10)

Command those who are rich in this present world 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 Tim. 6:17)

- **I'm called to live fully in each day, not in the future. God evaluates the faithfulness of my management based on what I do with what I have now, not what I might do someday if I have more.**

But seek first his kingdom and his righteousness, and all these things will be given to you as well. Therefore do not worry about tomorrow. (Matt. 6:33-34)

His master replied, "Well done, good and faithful servant! You have been faithful with a few things; I will put you in charge of many things. Come and share your master's happiness!" (Matt. 25:21)

- **I should manage with a sense of urgency. This inclines me toward giving what I can now rather than saving up in order to give more later. Later may be too late.**

Do you not say, "Four months more and then the harvest"? I tell you, open your eyes and look at the fields! They are ripe for harvest. Even now the reaper draws his wages, even now he harvests the crop for eternal life. (John 4:35-36)

As long as it is day, we must do the work of him who sent me. Night is coming, when no one can work. (John 9:4)



- **God has built the law of sowing and reaping into the fabric of the universe. He can be trusted to pay the perfectly appropriate wage for my work.**

We speak of God's secret wisdom, a wisdom that has been hidden and that God destined for our glory before time began. None of the rulers of this age understood it, for if they had, they would not have crucified the Lord of glory. However, as it is written: "No eye has seen, no ear has heard, no mind has conceived what God has prepared for those who love him. (1 Cor. 2:7-9)

Remember this: Whoever sows sparingly will also reap sparingly, and whoever sows generously will also reap generously. (2 Cor. 9:6)

- **Giving is an affair of the heart. God looks at our intentions, not our gifts.**

Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful [hilarious] giver. And God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work. (2 Cor. 9:7-8)

The LORD does not look at the things man looks at. Man looks at the outward appearance, but the LORD looks at the heart. (1 Sam. 16:7)

- **It is not difficult to lay aside earthly wealth when you have the LORD God as your highest treasure.**

Do not be afraid, little flock, for your Father has been pleased to give you the kingdom. Sell your possessions and give to the poor. Provide purses for yourselves that will not wear out, a treasure in heaven that will not be exhausted, where no thief comes near and no moth destroys. For where your treasure is, there your heart will be also. (Luke 12:32-34)



4 CHRISTIAN INVESTING RESPECTS GOD'S PRIORITIES

Before you begin your stock and bond market investing, you need to achieve a certain level of financial fitness. It's like those exhortations to see your doctor for a physical exam before launching out on a new exercise program. Think of it as practicing financial aerobics!

Now, I know that for most of us working out isn't any fun. It's tedious, hard work to get in shape. Of course, getting *out* of shape is remarkably simple. All you have to do is ...nothing. Just relax. Stop investing time in it. It's amazing how easy it is to get out of shape. (I wish it weren't like that, but it is. Being in shape has a very short shelf life.)

Are you "in shape" financially?

Let's get started with a few "financial fitness" tests to see what kind of shape you're in.

1. Priority number one is getting debt-free.

The first financial fitness test you need to pass is the "debt" test, with special emphasis on credit card and other consumer-type debt.

Below are several reasons (along with supporting Scriptures) why I believe getting out of debt should be a priority for a Christian investor.

✓ It reflects an obedient spirit.

Give everyone what you owe him: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor. Let no debt remain out-standing, except the continuing debt to love one another...
(Rom. 13:7-8)

Do not withhold good from those who deserve it, when it is in your power to act. Do not say to your neighbor, "Come back later; I'll give it tomorrow" when you have it with you. (Prov. 3:27-28).

✓ It reflects personal integrity.

“It is better not to vow than to make a vow and not fulfill it. (Ecc. 5:5)

”The wicked borrow and do not repay, but the righteous give generously. (Ps. 37:21)

- ✓ **Perhaps most importantly, it reflects an allegiance to Christ alone (if we are in debt, our allegiance is split because, in a very real sense, we must “serve” our creditors).**

“Now that you have been set free from sin and have become slaves to God, the benefit you reap leads to holiness, and the result is eternal life. (Rom. 6:22).

”The rich rules over the poor, and the borrower becomes the lender’s slave. (Prov. 22:7).

Followers of Jesus Christ, because of our desire to display an obedient spirit, personal integrity, and maintain our allegiance to Christ alone, should be conscientious in spending less than we earn so we can use our surplus dollars to pay off our debts.

If we get extra dollars, we shouldn’t increase our lifestyle or start wheeling and dealing in the investment markets. We should respect God’s priorities and use any extra financial resources that come our way to get debt-free.

2. Priority number two is saving for future needs.

Although it’s economically sensible to first pay off debts that are carrying high interest charges, you shouldn’t use every spare penny for that purpose. At the same time you’re working on your debts, it’s wise to put money aside for unforeseen expenses.

Having a savings reserve is an important aspect of financial fitness:

- ✓ **It reflects responsible preparation.**

“In the house of the wise are stores of choice food and oil, but a foolish man devours all he has. (Prov. 21:20)

”Go to the ant, you sluggard; consider its way and be wise! It has no commander, no overseer or ruler, yet it stores its provisions in summer and gathers its food at harvest. (Prov. 6:6-8)

✓ **It reflects self-control.**

For the grace of God that brings salvation has appeared to all men. It teaches us to say “No” to ungodliness and worldly passions, and to live self-controlled, upright and godly lives in this present age. (Titus 2:11-12)

Poverty and shame will come to him who neglects discipline, but he who regards reproof will be honored. (Prov. 13:18)

Your savings reserve serves two purposes. First, it’s a contingency fund for dealing with the unexpected expenses such as a medical expense or auto repair bill. Or, you might face a temporary layoff at work or a disabling injury. If you don’t have a “cushion” to fall back on, you’ll eventually wind up back in debt. By having this money set aside and readily available, you can “borrow” from yourself rather than from family members or your bank.

Second, the fund can be used to finance major expenditures that aren’t in your monthly operating budget—such as replacing your old car, buying new furniture as the family grows, or funding that home remodeling project you’ve been looking forward to.

Deciding how large your contingency fund should be is up to you. Financial planners often recommend having 3-6 months’ living expenses set aside. I suggest a minimum of \$10,000. The amount is up to you, but living expenses for at least three months would be a good initial goal.

3. Priority number three is investing your surplus.

Only after the first two primary objectives are reached do I suggest moving into a more advanced area of financial fitness: using any of your monthly surplus to begin investing in stock and bonds. (Of course, you may already have money set aside in an IRA or other retirement plan.)

The reason for this is straightforward: up to that point, every dollar of surplus is being used in a manner that guarantees you will advance financially. When you invest in stocks or bonds, an element of financial risk is being introduced for the first time. Such a move should be undertaken only if a person can bear to lose part (sometimes a significant part!) of his or her capital. This is the case only if a strong financial foundation has already been laid.

✓ **Laying the proper foundation first reflects wise stewardship.**

By wisdom a house is built, and through understanding it is established; through knowledge its rooms are filled with rare and beautiful treasures. (Prov. 24:3-4)

Well done, good and faithful servant. You were faithful with a few things, I will put you in charge of many things. (Matt. 25:21).

✓ **Laying the proper foundation first reflects responsible planning.**

Suppose one of you wants to build a tower. Will he not first estimate the cost to see if he has enough money to complete it? For if he lays the foundation and is not able to finish, everyone who sees it will ridicule him, saying, "This fellow began to build and was not able to finish." (Luke 14:28-30).

The plans of the diligent lead to profit as surely as haste leads to poverty. (Prov. 21:5)

If you want to begin investing in stocks and bonds while still building (or replenishing) your contingency fund, that's a decision you're free to make. But understand that it's not as safe a strategy because you're entering a high-risk undertaking without the solid foundation that is desirable.

For example, what if the investments don't pan out, and additional unexpected events arise to further deplete your contingency fund? On the other hand, it is certainly possible that everything could go well and you might even be better off financially a few years down the road. There is simply no way to know in advance.

I don't give hard and fast guidelines in this area because Christian investing isn't a one-size-fits-all matter. Within the context of biblical boundaries, you must make highly personal decisions. My primary goal is to encourage you to take reasonable and informed steps, which I believe will provide you with emotional comfort in the present and financial security in the future.

4. Priority number four is to diversify for safety.

Remember: nobody really knows what's going to happen next. The investment world is a colossal engine fueled by human emotions. Millions of people make billions of decisions all reflecting their feelings of fear or security, hardship or prosperity.

To attempt to make reliable forecasts in the face of this staggering complexity is foolhardy.

Therefore, since nobody really knows what is going to happen next year, next month, or even next week, your plan as a Christian investor must allow for the fact that the investment markets will experience some unexpected rough sledding every now and then. This is where diversification comes in.

Surprisingly, it is possible to assemble some lower-risk investment combinations that give pretty much the same returns over time as higher-risk ones.

✓ **Diversification reflects prudence.**

“A simple man believes anything, but a prudent man gives thought to his steps. (Prov. 14:15)

“Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth. (Ecc. 11:2)

✓ **Diversification reflects humility.**

“Plans fail for lack of counsel, but with many advisers they succeed. (Prov. 15:22)

“Do not boast about tomorrow for you do not know what a day may bring forth. (Prov. 27:1)

In the investing world, diversification means picking a series of investments that “march to different drummers.” This means that rather than loading up on a few “sure things” that promise big short-term rewards, your strategy as Christian investor involves owning a mix of investments that are affected by different economic events (I’ll have more to say about this in the next section).

Surprisingly, it is possible to assemble some lower-risk investment combinations that give pretty much the same returns over time as higher-risk ones. When that happens, such a mix of investments is said to be more “efficient” because it accomplishes the same investment result while taking less risk.

5

CHRISTIAN INVESTING SEEKS THE LORD'S WISDOM

For the most part, the guidelines God has provided for managing His wealth for His glory are *general* rather than *specific*. This means **we must seek the Lord's wisdom continually as we make specific choices as Christian investors.**

The Bible makes it clear that God has graciously equipped believers with His Holy Spirit, and that by relying on Him we can make sound, disciplined decisions.

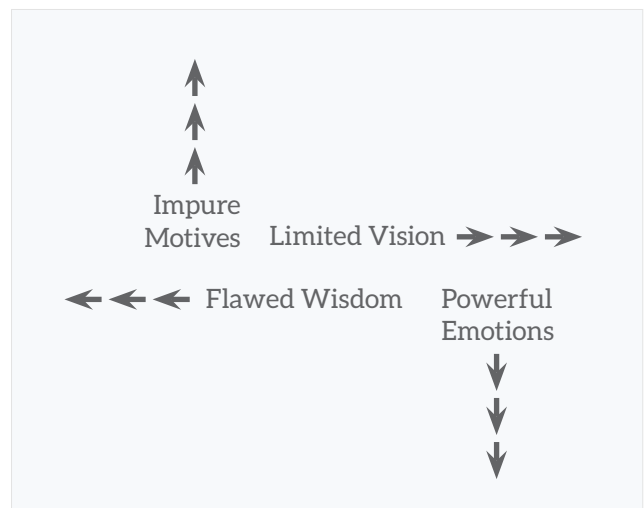
If any of you lacks wisdom, he should ask God who gives generously to all without finding fault, and it will be given to him. But when he asks, he must believe and not doubt, because he who doubts is like a wave of the sea, blown and tossed by the wind. (James 1:5-6)

For God has not given us a Spirit of fear, but of love, and power, and a sound mind. (2 Tim. 1:7)

You probably have figured out by now that studying God's Word not only helps us see more clearly who *He* is, it also provides invaluable insights into *our own fallen natures*. These insights will help you as Christian investor.

The Bible speaks of four particular problems that affect us:

1. our wisdom is flawed (1 Cor. 3:18-19)
2. our motivations are impure (Jer. 17:9)
3. our emotions can overpower us (Rom. 7:18)
4. our vision is limited (James 4:13-14).



These four problems tend to pull us in self-destructive directions — and they are why we need “boundaries” for our own protection.

God has given us such boundaries in the Bible, boundaries that can help us define

our priorities and develop an investing strategy.

Yes, in a sense, having boundaries takes away your freedom to do what you might want. But a strategy based on boundaries offers a new kind of freedom – the freedom to do what you *should*!

... mechanical guidelines help you rein in the powerful emotions that cause many investors to do precisely the wrong thing at precisely the wrong time.

Using Scripture as a guide, I have identified four boundaries that will help ensure a focused Christian investment strategy:

- objective, mechanical criteria for decision making;
- a portfolio that is broadly diversified;
- a long-term, get-rich-slow perspective; and
- a manager’s (rather than owner’s) mentality.

Let’s look now at how these boundaries come into play in everyday situations.

1. Boundary One: Use mechanical guidelines rather than your own intuition and judgment.

He who trusts in himself is a fool, but he who walks in wisdom is kept safe. (Prov. 28:26)

But the fruit of the Spirit is . . . self-control. (Gal. 5:22-23)

When I speak of “mechanical guidelines,” I am talking about developing objective criteria for your buying and selling decisions. One example would be to use SMI’s “Seasons of Life” risk matrix available online for free to SMI Members. This matrix will help you select a specific mix of stocks and fixed-income investments based on your risk tolerance and age.

Mechanical guidelines not only help you choose investments that fit your situation, they can help you *control your losses*.

When you buy a stock or a fund that doesn’t perform as you hope, it can be emotionally difficult to admit it didn’t work out. In fact, many investors hold onto weak companies or funds for years hoping they can at least finally “break even.” This is a form of denial.

You can avoid this kind of “emotional trap” by following a mechanical guideline that says, “I’ll sell if it drops x% from where I bought it because if it gets that low, there’s a strong probability I misjudged the situation.”

Another recommended mechanical guideline is called dollar-cost averaging. This is an investing discipline that calls for investing the same amount at regular intervals (such as once or twice a month). The investing discipline imposed by dollar-cost averaging is helpful because our judgment tends to be unduly influenced by news events of the moment. There will always be bad news, and sometimes there is good news – but news is rarely as bad or good as it might first appear. Dollar-cost averaging protects you from over reacting (along with everyone else) to the crisis or euphoria of the moment.

In short, mechanical guidelines help you rein in the powerful emotions that cause many investors to do precisely the wrong thing at precisely the wrong time. Yes, mechanical guidelines may appear dull, but that’s actually a virtue – the most successful market strategies tend to be dull(!) because they are measured, not spontaneous.

2. **Boundary Two:** Build a broadly diversified portfolio to protect against the uncertainties of the future.

Give portions to seven, yes to eight, for you do not know what disaster may come upon the land. (Ecc. 11:2)

But the fruit of the Spirit is . . . peace. (Gal. 5:22)

Acknowledging limited human vision requires you to be honest with yourself and say, “Not only do I not know what the future holds, none of the experts do, either.”

Since we don’t (and can’t) know the future, we can never know with certainty which investments will turn out most profitably.

As mentioned in the previous section, this is the rationale for diversifying – spreading out your portfolio into various areas. If you diversify your investments, you won’t be over invested in that part of the market that gets hardest hit by whatever financial storm might blow

Once you accept that “nobody knows,” it makes a lot of sense to diversify and relax.

through (and most of the time you can't know in advance which part of the market that will be). Diversifying also ensures that you will have at least some investments in the part of the market that is the rewarding one at any given time.

Once you accept that “nobody knows,” it makes a lot of sense to diversify and relax. If you take that approach, here are some of the things you'll then be able to do:

- ✓ **You can ask hard questions of anyone trying to sell you an investment.**
Make them support and document every assertion, promise, or guarantee. You know the truth: nobody knows for sure, no matter how confident they sound, whether what they're recommending will truly turn out to be the best for you.
- ✓ **You can ignore all forecasts by the “experts.”**
They're guessing. Besides, if you've ever noticed, most forecasts seem to assume that the current trends (whatever they are) will continue. If they were to have any value, we'd need to know when the current trends will be reversed!
- ✓ **You can ignore media explanations of why the markets are acting as they are.**
Did you know that almost every item of economic news has both positive and negative implications? (For example, lower interest rates are good news if you're a borrower, bad news if you're a saver.) The news media merely emphasize whichever aspect of the news that the markets paid most attention to. If lower rates cause the stock market to go up, the media say it's because low rates are good for the economy; if the market goes down, the media say it's because low rates encourage renewed inflation!
- ✓ **You can ignore most of the mail you receive promoting investment advisory newsletters.**
I'm talking primarily about the ones with the bold-letter hype that promise “easy” or “guaranteed” profits. There's always a possibility that you can lose your money in the markets – it's irresponsible to imply otherwise. Such claims by any newsletter writer (or broker or anyone else) should immediately raise a red flag in your mind.

3. **Boundary Three:** Develop a long-term, get-rich-slow perspective.

Dishonest money dwindles away, but he who gathers money little by little makes it grow.
(Prov. 13:11)

But the fruit of the Spirit is . . . patience.
(Gal. 5:22)

Fewer things cause more losses for investors than a short-term, get-rich-quick orientation to decision making.

Unfortunately, patience is in short supply among investors. But patience, i.e., a long-term view, is extremely productive when investing — and Christian investors should remember that patience is also a fruit of the Holy Spirit!

A long-term perspective has three major benefits:

✓ **It allows you time to do first things first.**

I've already discussed the importance of being debt-free before proceeding into stocks, bonds, and other investments (other than those in your retirement plans). Once that foundation is laid, you can handle market risk with greater confidence. In the face of market setbacks, a long-term view says, "I'm investing with my surplus funds. This sell-off is no threat to my immediate well-being. I've got time to be patient and wait for the recovery."

✓ **It allows you to let those "once-in-a-lifetime, you-don't-want-to-miss-this-one-but-you-must-act-now" deals go by.**

You've got plenty of time, and you don't want to invest in anything you haven't had time to carefully investigate and pray about. Trust me — there's always another day and another "great deal."

✓ **It allows you to be more relaxed when your judgment turns out less than perfect (surprise!).**

For example, those times when the stock you just bought goes lower (which it often will) or the one you just sold goes even higher (which it often will). Why let that frustrate you? In your saner moments, you know it's unlikely you're going to buy at the exact low or sell at the exact high. Taking the long view says, "It doesn't matter whether I bought at \$14 when I could have bought at \$12. The important thing is that I followed my plan. Over time, I know my plan will get me where I want to go."

- **Boundary Four:** Accepting management responsibility for your decisions, which leads you to acquire knowledge of the basics and seek counsel when making important decisions.

Every prudent man acts out of knowledge, but a fool exposes his folly. (Prov. 13:16)

But the fruit of the Spirit is ... faithfulness. (Gal. 5:22)

As a Christian investor, you must recognize that the Lord has given you a stewardship responsibility you cannot delegate away.

Yes, you can delegate authority to someone else to make certain investment decisions, but you can't delegate your responsibility for the results that come from those decisions. Ultimately, you are accountable for what happens. Once you "own" this fact, you will take your management obligations even more seriously. Many Christians don't see themselves as "investors" simply because they don't have large stock portfolios. This is a misconception as to what investing involves.

Simply put, you are making an investing decision any time you decide that you will do *without* something today so that you might have more of something later.

For example, cutting back on your spending (sacrificing convenience/luxury) in order to get debt-free (gaining peace of mind and freedom) is an investing decision. Buying a used car rather than a new one (sacrificing status and ego) so that you can start saving for a house someday (gaining shelter and security) is an investing decision. Keeping your savings in money market funds instead of bond funds (sacrificing yield) in order to have your principal safe (gaining stability and flexibility) is an investing decision.

Knowing that you have a God-assigned task to manage the financial part of your life responsibly will help you to become more realistic about your needs in four areas:

- ✓ **More realistic about your need for additional knowledge.**
You accept that you must learn certain financial and investing basics. You can't just say, "Oh, I don't have the time (or interest or intellect) for that." You understand that some study will be necessary.
- ✓ **More realistic about the limitations of what investing can accomplish for you.**
As you study, you learn that rates of return over the long haul tend to be in the 8%-12% range, not 15%-20% as many imagine. The idea that you will readily make large returns to bail you out of your problems is a dream. And mixed in that 8%-12% average will be good years (gains of 20% or more) and bad years (losses 20% or more). It's not a smooth road!
- ✓ **More realistic about the strengths and weaknesses of the investment industry, an industry that often doesn't have your best interests at heart.**
The investment business is a wash in conflicts of interest (brokers get paid for selling securities, publishers get paid for selling magazines, financial networks get paid for attracting viewers). Your naïveté will diminish as you develop a healthy

skepticism. (On the plus side, America is still a land of great economic opportunity for those who are willing to diligently apply themselves and who do not easily give up!)

✓ **More realistic about the markets themselves.**

You'll no longer believe that "the pros" know something you don't, and you'll see erratic swings in the market as being evidence of emotionalism rather than calm reason. You'll discover there are few absolutes, other than preservation of your capital, to guide you as you navigate the tumultuous storms and cross-currents. These doses of realism will be very, very good for you as a Christian investor.

These doses of realism will be very, very good for you as a Christian investor.

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CHRISTIAN INVESTING VALUES GOD'S MAJESTY

For us to invest in a way that is truly Christian requires a particular worldview — one that sees the Lord as "the pearl of great price." We value His majesty and our communion with Him above all earthly ambitions and wealth.

There is no greater thrill, no greater joy than to walk away from a time of prayer and meditation having met God. It is as Jonathan Edwards has written:

The enjoyment of God is the only happiness with which our souls can be satisfied. To go to heaven, fully to enjoy God, is infinitely better than the most pleasant accommodations here. . . . [These] are but shadows; but God is the substance. These are but scattered beams; but God is the sun. These are but streams; but God is the ocean.

As Christian investors, we must see God as our greatest treasure. Our hearts and lives must be kept centered in Him. Obtaining, securing, and increasing our store of wealth— even if that wealth is used for family support and kingdom purposes — is no substitute for treasuring God above all.

To invest more time, thought, energy, research, and emotional energy in our finances than we invest in enjoying His presence reveals that our pleasures are misplaced. Our pleasure is to be in Him.

As the Psalmist wrote, “Because your love is better than life, my lips will glorify you. I will praise you as long as I live, and in your name I will lift up my hands. My soul will be satisfied as with the richest of foods” (Psalm 63:3-4).

For us to invest in a way that is truly Christian requires a particular worldview —one that sees the Lord as “the pearl of great price.”

Not only is our pleasure to be in God, our confidence is to be Him, as well — not in our own human efforts. The New Testament’s Letter to the Hebrews puts it this way: “Keep your lives free from the love of money and be content with what you have, because God has said, ‘Never will I leave you; never will I forsake you.’ So we say with confidence, ‘The Lord is my helper; I will not be afraid. What can man do to me?’” (Heb. 13:5-6).

If our pleasure and confidence are in God, then our gratitude should flow to Him as well. The Christian investor understands that God is the source of our blessings and “the giver of every good gift.”

As King David prayed in 1 Chronicles 29, “Yours, O LORD, is the greatness and the power and the glory and the majesty and the splendor, for everything in heaven and earth is yours....Wealth and honor come from you; you are the ruler of all things. In your hands are strength and power to exalt and give strength to all. Now, our God, we give you thanks, and praise your glorious name” (1 Chr. 29:10-13).

7

CHRISTIAN INVESTING ENJOYS GOD’S BLESSINGS

We can’t know what the future holds, but as Christian investors we can know the One who holds the future. Our trust in the Lord is never misplaced. Paul wrote: “For to me, to live is Christ, and to die is gain.”

Paul could say that because dying brought him even more of what he was living for! If we think that “to live is business success,” then to die is loss.

If we think “to live is financial riches,” then to die is loss. If we think “to live is the praise of men,” then to die is loss. Dying takes all of those things away.

On the day that we die, whatever wealth we may have will be of zero value to us, of no help or comfort whatsoever. But knowing Him will mean everything. This is why Jesus is “our peace.” He is the only one who can give us peace in an uncertain world.

Christian investing isn’t focused on making the most money. Christian investing is focused on glorifying God by doing our best to manage His resources wisely and well, then trusting Him for the results.

We must also humbly acknowledge that from God’s eternal perspective what appears good to us (“wealth and success”) can actually be bad for us, while what appears bad (“trials of many kinds”) can actually be good for us. Only He knows what is best.

But if you aim your life in the direction of God’s glory, you will enjoy his blessings — perhaps those blessings will be material, perhaps they will be spiritual, perhaps both. I don’t know.

But I can assure you of this: in the end — as the Scripture says —

“Whoever believes in Him will not be disappointed” (Rom. 10:11 NASB)!



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