

Active Money: The Parable of the Talents revisited



A good and faithful servant?



The bible talks about money more than any other subject, such is its importance, and in the parable of the talents Jesus warns us that we will be judged on how we use our money.

But what does this mean in practice? Although the bible doesn't give explicit advice, it does provide a framework for considering our management of money. The parable of the talents teaches that we are to be productive with that to which we have been entrusted, and this doesn't just mean making loads of money! Instead it implies an active interest in our money whereby extra-financial values are incorporated in to investment selection.

Money is the last taboo, a subject about which few of us are comfortable: after all, who would be prepared to openly declare how much they earn, spend, give, borrow or invest? We tend to struggle with money, which puts our very values on the line, and this is why the bible talks about money more than any other subject (over 2300 times in fact!). Unfortunately it doesn't tell us exactly how to employ our money, but it is replete with general principles for managing money as well as warnings on the consequences of putting money before God. Indeed, in the parable of the talents (Matthew 25:16-30) Jesus warns us that we will be judged on how we use our money. Will we be like the good and faithful servants who shared in their master's happiness, or will we be thrown into the darkness like the worthless servant where there will be weeping and gnashing of teeth?

I was so challenged by this that I wrote a book about it! How could I be confident that when I stand before God, I can account for the things with which I have been entrusted without fear of shame? That thought led me to take a close look at what the bible has to say about money and how I should respond. The first thing that struck me is that a biblical perspective on money is radically different from the societal norm and that this challenge, like most others, is one of the heart. I can listen to all the arguments under the sun, but if I don't choose to respond, they won't convince me to change, so I need to draw close to God to understand what it is He wants me to do with my talents – that is everything with which I have been entrusted.

Money puts our values on the line – it is a litmus test of how we really value things, or as the saying goes, to 'put our money where our mouth is'. Martin Luther went as far as to say that, "we need two conversions – one of the heart and one of the wallet". Luther recognised the sad reality that faith often has little impact on how we use money, with faith residing firmly in a separate compartment from our day-to-day finances. We may give some of our money away but in most other respects we generally adopt a silo mentality where our Christian commitment has little impact of how we manage the wealth with which we have been blessed. I find this immensely disappointing since Romans 12:2 clearly states that we are 'to be transformed by the renewing of our minds', no longer conforming to the pattern of the world, yet that is exactly what we tend to do when it comes to our finances. If you want proof of this, take a look at your cheque book, bank statement or investment portfolio, and it will reveal your priorities, since these are made only too clear by your pattern of spending.

Returning to the parable of the talents, we are challenged to account for how we use that with which we have been entrusted, including our money. Yet many of us barely know what we have, let alone whether we will have enough to meet our future needs or how we can use our money creatively to maximise the return for God. This is leaving an awful lot to chance given what is at stake, so my conclusion is that it's better to plan than to muddle through with the vague hope that it will be all right in the end. If the end result is that important, I'm going to treat it as important and that means planning for a good result, setting goals and assessing how I'm doing from time to time. In fact Paul likens the Christian life to running a race, where we set goals and prepare rigorously to win the prize. Athletes don't just turn up and win – they have to set themselves goals along the way, train hard and revise their training in the light of experience. It's the same for us and for our finances – we need to work out what we have, what we will need and how we are going to get there. That means budgeting, estimating future income needs and putting savings plans in place to meet those future needs. It might also mean making contingency plans – insurance or other means of providing for your family in the event of unforeseen but potentially catastrophic events.

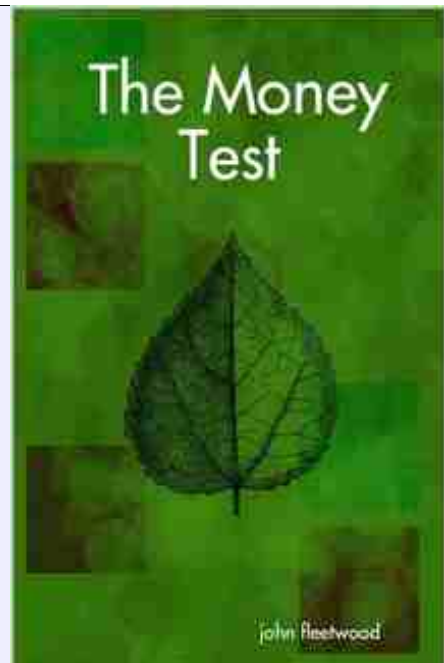
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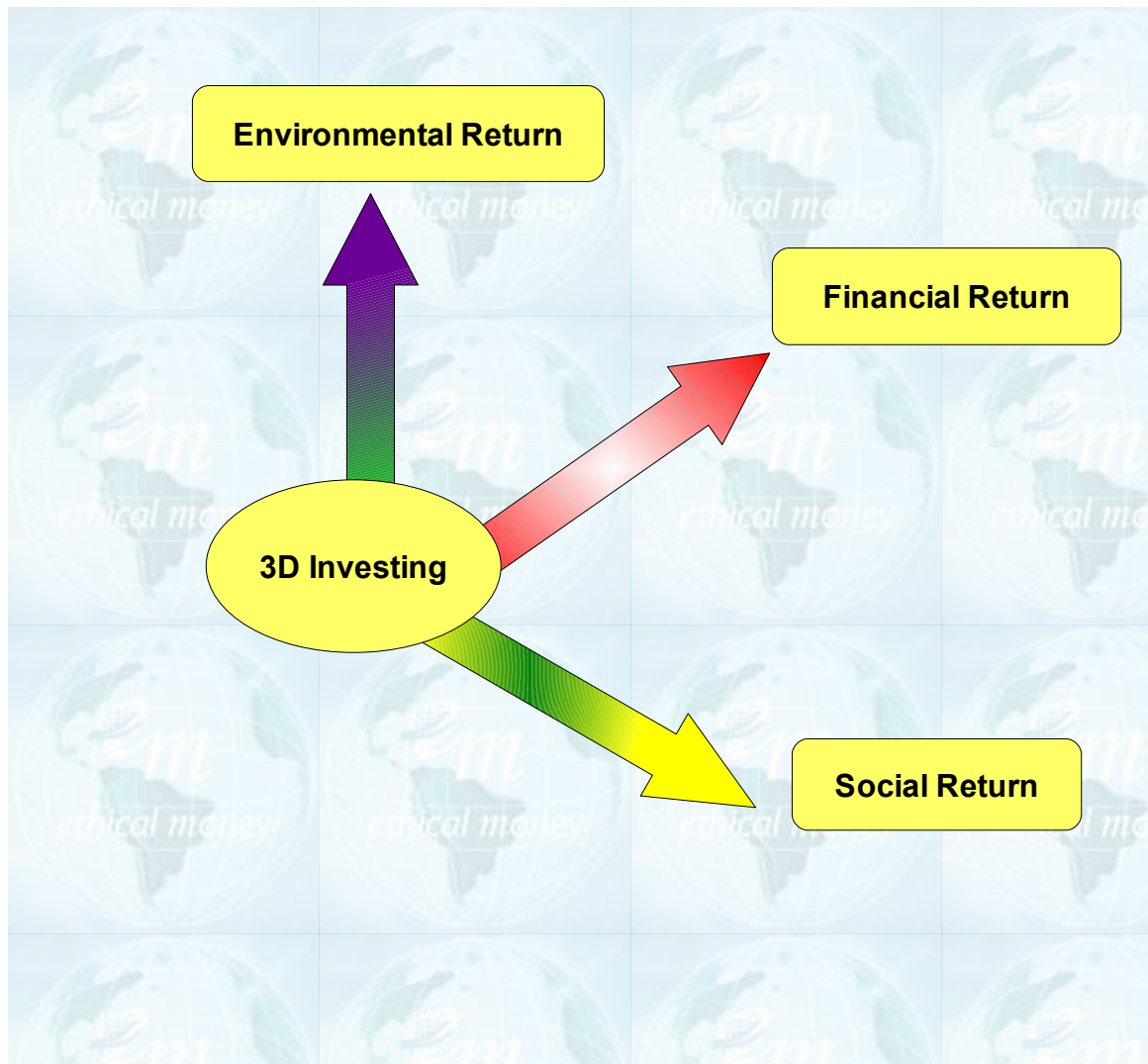
Planning is all well and good, but without the right heart it's useless. If God is above all things; out of time and the ultimate Creator, then everything belongs to Him *including our money*. This is the kernel of true stewardship, where we are just managers of money for God, and if we truly believe that, then we will only use as much money as we need. I like to think of it as adopting a backpacker's mentality where you only take as much as you need for the journey, because my experience of backpacking is that if you take too much you won't be able to carry it and you'll have to leave it behind. On life's journey, it's no different – there's no point having more stuff than we need and at the end of the journey we give it all up anyway, so why accumulate things that really don't help to serve God or others?

A further outworking of loving God with all our heart is breaking the cycle of self-accumulation by giving away money. Giving is an antidote to the self-centred culture in which we live; it challenges the very essence of the 'me first' world and the bible tells us that it is the first call on our money (Proverbs 3:9). Paul also talks about giving joyfully (2 Corinthians 9:7), but if we are really honest, is that true for us? If it isn't, then it's probably because we haven't fully released everything we 'own' to God, and one way of doing this is to literally sign over all that you 'possess' to God, so that you physically acknowledge your role as steward and God's as owner.

Once you've done this, you're released to think about how the money that you manage can be put to the best use in God's Kingdom. The parable of the talents is quite clear about this, since the emphasis is very much on productivity, whereby the servants who multiplied their talent were rewarded, but the one who simply preserved what he had was punished. Simplistically, this might seem like an argument for aggressively generating as much financial wealth as we can, and many Christians seem to pursue this argument on the basis that they have more to give away and invest in God's Kingdom. To my mind, this misses a vital point – that the very means by which capital is earned can advance the Kingdom, rather than just using the capital for Kingdom purposes. Let me expand on this as I believe it to be of fundamental importance in how we manage money.

Today, the financial markets are more complex than they have ever been, so that the average financial consumer is somewhat bewildered by money. Many of us prefer not to think about our finances, some of us are actually afraid of money and many people simply find it boring, so that we have become reluctant to do more than the lazy servant who hid his talent in the ground. Okay, I might not dig a hole in the garden, but I might just stick my savings in the building society or bank and I expect some financial return without financial loss. Money has become so divorced from values that it is accepted wisdom to regard money as amoral, such that the very same person who demonstrates great compassion in personal interactions is taught to use money as though it were values-free. It is not. Money does make the world go round but we have a choice – we can follow society's accepted wisdom and make choices based on considerations of risk and financial return, or we can choose to follow a different path where the values that we hold in the rest of our life are integrated into the management of our money. This is nothing new. In times gone by, the relationship between lender and borrower, investor and investee, saver and banker, was much stronger, but the complexity of modern finance has fundamentally undermined this relationship. It's time to redress the balance by re-connecting with our money, because if we don't, how on earth can we be sure how our money is being used?

This re-connection with money involves quite a radical change of perspective. Instead of just thinking about financial return in the context of risk to capital, it requires us to think about a third factor – that of social or environmental returns. I like to think of this as three-dimensional or '3D' investing where the third axis of social return complements risk and financial return, and in the same way that a 3D view is far more interesting than a two dimensional image, a 3D view of money is so much more engaging.



Instead of reading dull reports stuffed full of figures and incomprehensible financial commentaries, you can read reports that actually tell you something about what your money is achieving beyond financial return. Nor is there necessarily a trade-off between financial and social returns. Many socially beneficial investments provide solutions to key global challenges and stand to benefit from the demand for such solutions. Indeed, the available evidence shows that ethically screened funds fare just as well as their unscreened counterparts and a recent study by Altedia¹ actually showed that socially responsible funds *outperformed* their counterparts. This is not so surprising since socially responsible companies are often well-run companies with an ethos that pays dividends in the long-term – you only have to think of Marks & Spencer, The Co-Op Bank or Cadburys, or less obviously, John Deere.

¹ RSI Fund Performance Analysis, April 2008

Funds investing in these sort of companies are what I would call 'values-aware', that is, they are informed by values, but don't necessarily reflect a radical change in financial flows. After all a stock-market investment requires a buyer and a seller, so most transactions don't actually introduce new capital. More rewarding in the 3D sense are 'values-driven' investments that result in very different portfolios from their more conventional counterparts, focussing as they do on investing in solutions to social and environmental challenges. Values-driven investments cover a spectrum from pure philanthropy at the one extreme to private equity at the other, with the relative importance of social and financial return the distinguishing factor. Philanthropy or giving represents an investment where social return is clearly the all-important factor, since the financial return is negative 100%! In contrast, investments in companies may primarily be driven by financial factors, yet also deliver strong social returns, and in between the two extremes, there's a range of investments that are informed by values other than pure financial ones.

So you have a choice. As Christians we are called to be salt and light to the world, to be beacons of hope, but too often we fail to be different, forgetting that money has a social as well as a financial dimension. I dare you to be different with your money – be transformed by the renewing of your mind, engage your heart as well as your head and be productive in more senses than one.

About Ethical Money

Ethical Money is at the forefront of developing and promoting new and innovative investment funds which deliver '3D returns'. We work with major investment institutions and private clients, providing investment research, as well helping to develop and promote investments with a high social impact. Our ethical commitment is borne out by being one of the first companies to be awarded the prestigious [Ethics Mark](#).

John Fleetwood founded Ethical Money and has been advising on ethical investments since 1991. He also jointly developed Ethical Analyst, the ethical analysis software for financial advisers, and founded the [Ethical](#)



[Investment Association](#), the industry body for ethical financial advisers. John is Ethical Funds Development Manager at [King & Shaxson](#), a specialist manager of distinctive ethical funds and portfolios. He is also the author of '[The Money Test](#)', the first UK book on Christian financial planning.

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