

# Where your Treasure Is, There your Heart will be also<sup>1</sup>

*Barbara Ridpath chairs the Church of England's Ethical Investment Advisory Group. She explains their policies and provides helpful advice about personal investment.*

How we use our money is both an outworking of our beliefs and an act of witness. This is true for individuals, entrepreneurs, SMEs, and large businesses, as well as for communities, church and secular institutions. In every instance, we have both the right and the responsibility to speak into the public debate and to help develop a shared understanding of the values that are important to us as a society. As Christians, our values are grounded in our beliefs and our theology, though interpretations can vary widely as a reflection of one's religious tradition and personal views.

Working with others who share similar beliefs and principles helps our money create an enormous force for change. We have seen this over time in many areas. Leadership from the church has played an integral part in the growth of the Environmental, Social and Governance (ESG)<sup>2</sup> movement in the United Kingdom and beyond.

Yet the moral leadership that comes from the church is not without its own perils. Here are three of them. First, anyone who purports to be behaving ethically sometimes risks being caught in contradictions between what is said and

what is done. Some of the most fraught disagreements are among people, all trying to do good, with different approaches to the best way to achieve change. Second, everyone needs to remember that companies, like people, are capable of change and redemption. We need to be prepared to re-engage when we see positive change if our views are to have impact. The EIAG keeps a restricted list of companies which rules out investment until change occurs. More companies are added than removed quarterly but almost every quarter at least one company comes off the list because their policies have changed for the better. Third, there may be a strong difference between what an individual believes is a 'right action' and what the institutional church does. Regulations regarding institutional investment, fiduciary obligations and the purpose and nature of an endowment may affect how the church can invest in ways that are different than for the individual.

There are at least two reasons for differences in behaviour between individual and institutional investors. The first, and most obvious, is that the influence wielded by an institutional investor is more significant than that of

an individual shareholder acting alone. An individual investor, recognising he or she alone will have little voice at a shareholders' meeting, may opt for unitised investments such as buying into a fund of investments, where the manager's views align with the investor's. Alternatively, sale of the investment, known as divestment, may make most sense. Institutional investors, particularly when representing church bodies, can often have an influence larger than the amount of actual money invested, and can often catalyse other investors to work together for change.

The second reason draws on the parable of the talents (Mathew 25:14-30). Each of the bodies of the Church is expected to produce a return on its money in order to fulfil its purposes and enable the Church to function. This in no way argues that the proverbial 'ends justifies the means', but it does require us to remain aware that we need to find ethical ways for our funds to earn a return to serve God's purpose in this world.

The church as a whole has myriad ways of engaging. There are grassroots campaigns on social issues such as refugee policy and providing homes for refugees. The Green Church movement is



Homes for refugees

Photo: Zurich Insurance Group

helping churches around the world make their churches more environmentally friendly and helping to raise awareness of key climate change issues. In addition, the moral authority of church leaders can be powerful, whether it is one of the Archbishops or the Bishops in the House of Lords speaking for children, or on the impact of technology.

Businesses can also engage, ranging from first principles about their purpose, culture and values, to whether they hire fairly and in an unbiased way, pay a living wage, treat employees fairly, and so on.

Once we have looked at how we think about what matters to us in our investments, this article will conclude with some thoughts about a more aligned and holistic approach to manage all our business and financial behaviours in a consistent way.

Regarding investments, the Church of England's Ethical Investment Advisory Group (EIAG) always works from the first principles of Christian theology. As Christians, we believe human beings are made in the image of God and, in Jesus Christ, are called to know God and to participate in the divine life. All of the EIAG's advice seeks to use these teachings through five theological principles. We believe we are all called to:

- 1 Flourish as persons: that is, we are given freedom in order that we can flourish. We are given inalienable dignity which must be protected and should not be threatened or undermined.
- 2 Flourish in relationship: people are naturally social beings— whatever enhances their relationships will enable them to flourish; whatever


harms their relationships or causes hatred or division will inevitably diminish them. This means that we are also called to help communities grow and flourish.

- 3 Stand with the marginalised: throughout the Bible, there is a consistent refrain that God has a special concern for those who are vulnerable or excluded from society, and all of us have a duty to stand with those who suffer from all abuses of power.
- 4 Serve the common good: society and the individual organisations that make it up should serve community and not their own private good. When this fails, it is the responsibility of other bodies, including the government, to ensure they do.
- 5 The Bible calls us very clearly to be stewards of God's creation (Genesis 1:26–28, and 2:15). This gives us a responsibility to care for the earth and for all who dwell upon it and within its waters as well as its plant life.

The EIAG's advice is publicly available on its website<sup>3</sup> in order that others may benefit from what we have learned in our work, whether these be other investors, other Church members, or any other body with concerns about how their money is used. In each case, the advice includes the theological grounding on which the advice is based. Making the advice public is a key way that the Church is able to 'punch above its weight' in the area of ethical investing, as the EIAG advice, together with the policies of the National Investing Bodies,<sup>4</sup> inform the positions of a wide range of other investors around the world.

But what does all this mean for the individual, the entrepreneur, or the business person? It is simple to describe but hard to live. If in the conduct of our own life there is something we would not do, we must ask if it is okay for someone acting on our behalf to do so, whether in the products we buy, or in whom we invest? Careful consideration of these issues may cause us to re-think our purchasing and investing behaviour accordingly.

Within the sphere of savings and investment, it is increasingly easy to find funds trying to adapt to investors' concerns around the environment or other ESG concerns. While these funds may not align entirely with any single investor's beliefs, they enable an individual to begin to align their investments and their beliefs more easily than the work required to do this through individual stock picking. Nonetheless, it is very important to understand the fund's investment criteria and how the fund demonstrates compliance with that criteria.

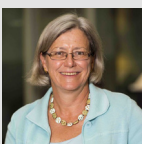
Aligning our daily life and our investments with our beliefs is extremely difficult to do in practice and can be exhausting as we try to live out our faith on a daily basis. It is important to be gentle with oneself so as not to get discouraged. Perhaps it is easiest to begin with the most obvious issues, or those that concern you most. Or perhaps, start in small steps: in recycling, and from whom you purchase, or your firm's carbon footprint. Much like prayer, thinking about the consistency of your behaviours with your beliefs gets easier with practice. The more it becomes a habit and a lens through which you look at all you do, the easier you will find it. 

1. Matthew 6:21. Much of what is contained in this article comes from an article written by the author for the journal *Crucible*. The January 2022 edition is dedicated to Ethical Investment.

2. On ESG see the article by Gary Cundill in *FIBQ* 21:3, 'ESG: an acronym for Christians to embrace?', pp 16–19.

3. <https://www.churchofengland.org/about/leadership-and-governance/ethical-investment-advisory-group/policies-and-reviews>.

4. The National Investing Bodies include the Church Commissioners, the Church of England Pension Fund and CBF Funds.



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