

Investment: An introduction

David Saunderson looks at the investment not only of our money but our time and talents, all of which should be used for the glory of God. He uses his long experience as a wealth manager to offer sound common sense about investing, as well as drawing on the books of Proverbs and Ecclesiastes to show the practical importance of investing well. He concludes by reminding us that nurturing a close relationship with Christ results in a life of fruitful love and service.

What does the term investment mean?

'The action or process of investing money for profit' is how the Oxford English Dictionary reads. In contrast, the Cambridge English Dictionary and others have a much wider canvas for the word: 'The act of putting money, effort and time into something to make a profit or gain an advantage.'

Other definitions include:

'Investment is the dedication of an asset to attain an increase in value over a period of time. Investment requires the sacrifice of some present asset such as time, money or effort.' (Wikipedia).

We all have resources of some kind. At the most basic level, this must mean our time and our energy, moving up through our skills and eventually including our financial capital.

We often think of financial capital as the sole source of investment in everyday discourse but these wider definitions are helpful in seeing how much broader investment is than just money. Many entrepreneurs would refer us back to their start-ups in which little or no money was invested but what has become known as 'sweat equity' was used to fund the business in the early days. This is even

the case in more mature businesses, where founders may draw little remuneration but allow their work to fund the business.

Do we gain any insights from the Bible as we look at investment in the context of our society today? Are there any contributions to the big investment issues of our day – for instance, the alternatives of Divest or Engage (in relation to Environmental, Social and Governance issues)? What about investment in countries with less than satisfactory governments? Supporting Globalism or Localism? Or exclusion of certain business sectors?



Sweat Equity: the heir's low wage grows the business

Photo: Edwin Remsberg

Life experience suggests we are given resources in the form of our talents and our time from birth and these are then supplemented by education, family support, perhaps inheritance and other sources. There is ample biblical support for the importance of wise investment of time, talents, resources and money.

God's instructions to Adam were to work the Garden of Eden and to take care of it. Thus, the principle of working an asset, stewarding or taking care of it goes back to the beginning of the Bible. The world's recent use of the Environmental, Social and Governance acronym 'ESG'¹ belies the real source of the requirement to steward the earth's resources well and to look after our fellow-humans, namely the commandments in Deuteronomy 6:4-5 and Leviticus 19:18 which Jesus cited in Matthew 22:35-40 - *Love the Lord your God.....and your neighbour as yourself.*

There are more than 800 references to money in the Bible and more than 30 references to investing - from the advice to Pharaoh to store up grain in the good years to Jesus expounding the parable of the talents.

Proverbs on money and investment abound:

- *He who gathers money little by little makes it grow* - Prov 13:11
- *Listen to advice and accept instruction and then you will be wise* - Prov 19:20
- *Make plans by seeking advice* - Prov 20:18
- *In the house of the wise are stores of choice food and oil* - Prov 21:20
- *Be sure you know the condition of your flocks, give careful attention to your herds* - Prov 27:23
- *A good man leaves an inheritance for his children's children* - Prov 13:22
- *Consider the ways of the ant and be wise! It stores its provisions in summer and gathers its food at harvest* - Prov 6:6

■ Ecclesiastes 11:

1 Cast your bread upon the waters, for you will find it after many days.

2 Give a portion to seven, or even to eight, for you know not what disaster may happen on earth.

3 If the clouds are full of rain, they empty themselves on the earth, and if a tree falls to the south or to the north, in the place where the tree falls, there it will lie.

4 He who observes the wind will not sow, and he who regards the clouds will not reap.

6 Sow your seed in the morning, and at evening let your hands not be idle, for you do not know which will succeed, whether this or that, or whether both will do equally well.



Consider the ways of the ant and be wise

Photo: medium.com

Christian business founder Gary Grant

Photo: Sarah Lee/The Guardian



What lessons are we to draw from these wise sayings?

- Investment is a choice for our God-given creative persona
- Investment is a requirement for fruit bearing
- Investment is a sacrifice (invest now, spend later)
- Spread your investments in order to diversify and mitigate risk

We are all investors from the least to the greatest. We all have responsibility to use our resources for good. In the corporate world, we might call this 'stakeholder capitalism' where firms endeavour to prosper through benefitting customers, staff, communities and shareholders.

What are some of the lessons from business life? I believe it is within all our capabilities to invest and to invest wisely.

I have found some simple precepts for investment management which have borne fruit:

Be patient – Rome was not built in a day (Gal 5:22 Patience is the fourth fruit of the Holy Spirit). It took more than 20 years to develop my old firm, Saunderson House, into one of the leading investment advisory businesses in the City of London.

Be discerning – all that glitters is not necessarily gold (wisdom should be sought by us all – James 1:5-6 'if any of you lack wisdom, you should ask God who gives generously to all'). Equitable Life appeared to be a gilt-edged

investment proposition in the 1980s and prior; but in the late 1990s many investors lost money as poorly written promises ate into the Society's reserves.

Be sure of your exit route – Liquidity, Liquidity, Liquidity (Luke 14:28 'For which one of you, when he wants to build a tower, does not first sit down and calculate the cost, to see if he has enough to complete it?'). I owned a small piece of land which was 'safeguarded' for Crossrail in 1990 but the compulsory purchase did not complete until 2010 – the site was frozen for 20 years.

Be bold – go for the pearl when you find it (Matthew 13: 45-46 'The kingdom of heaven is like a merchant seeking beautiful pearls, who, when he had found one pearl of great price, went and sold all that he had and bought it.'). A small but prestigious business was introduced to me; I realised that its acquisition could be transformational for my business. By the grace of God, going for it wholeheartedly resulted in the realisation of that transformation.

Be wise – use your God-given common sense, listen to your seniors – Proverbs 16:22 'Prudence is a fountain of life to the prudent, but folly brings punishment to fools'; Proverbs 15:31 'Whoever heeds life-giving correction will be at home among the wise.'

Be generous – Proverbs 11:24 'One person gives freely, yet gains even more; another withholds unduly, but comes to poverty'.

In my business career, I have been privileged to know some amazing business leaders who have built businesses in some cases from scratch and in other cases from small 'acorns' to 'mighty oaks'. Amongst these, there are many who are committed to the Christian faith and have, I believe, put some of the principles outlined above into practice through the outworking of their faith in their daily lives. There are many examples of firms with Christian founders and leaders which have been built on Christian principles. The biography of Sir John Laing written by Roy Coad tells the story of his building firm rising from a small local Cumbria firm to a multi-national behemoth of the construction world. The story is repeated in different industries with other examples such as Barclays (banking), Boots (chemists), Cadbury's (chocolates), Cathy family (Chic-fil-A), Gary Grant (toy retailer), Green family (Hobby Lobby), Henry Heinz (beans and ketchup) and Reg Vardy (cars), to name a few.

Wealth creation is a God-given gift no less than other creative talents such as art, music and writing. We have been given abilities to dream dreams, see visions and develop concepts and ideas. God is the master creator and he has made us in his image with those creative juices which can achieve remarkable results.

We are, however, warned of the importance of keeping a right perspective on wealth – we cannot serve



God and Mammon. We need to put God first and use money and investments to serve God's purposes in our lives and those of others.

Jesus warns against greed and we need to consciously check our motivation to ensure that we are seeking God's kingdom first.

As we all know, it is vital for businesses to make revenue and profits; otherwise they will cease to exist. It is not money or investments which are the root of all evil but the *love* of money. Allowing money to settle into a higher place in our lives is the danger which we all face. When we give money away, we de-throne it. This is one of the most effective ways of ensuring that money stays in the right place as a facilitating servant and not a tyrannical master.

Investment of time, talents and money is important in God's economy. Investment is the essential requirement for wealth creation – the seed sowing which is hoped will bear fruit.

Sometimes, investments go wrong and do not realise the fruit that was desired but often important lessons are learned through failure as well as success.

Ecclesiastes 4 talks about two walking together such that if either of them falls, one can help the other up. My experience as an investment manager teaches me that we all can fall and we need others around to help us. The importance of having friends who share our faith to walk along with us cannot be over-emphasised. We can share our joys and challenges, we can pray for others and be prayed for ourselves. Assembling trustworthy friends is not easy and to have those who have a measure of understanding of the issues we face is important. We should pray for the Lord to lead us to those with whom we may share.

In John 15, Jesus describes himself as the true vine and his Father as the gardener. He commands us 'Remain in me, as I also remain in you. No branch can bear

fruit by itself; it must remain in the vine. Neither can you bear fruit unless you remain in me. I am the vine; you are the branches. If you remain in me and I in you, you will bear much fruit.'

This picture emphasises the vital nature of our relationship with Jesus – there is an intimacy which is highlighted as essential to a fruitful life. The purpose of bearing fruit is also explained in that chapter: 'This is to my Father's glory, that you bear much fruit, showing yourselves to be my disciples' – John 15:8.

Our life in business and other areas is a witness to the Lord – we are ambassadors for Christ and the world will see that we are his disciples by our love for one another as we invest our time, effort and financial resources. We invest in comprehensive staff training to ensure professional standards and principles. We show our love by acts of service to our customers, suppliers, staff and the community around us. 

1. On ESG see the article by Gary Cundill in FIBQ 21:3, 'ESG: an acronym for Christians to embrace?', pp 16-19.2.



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