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STEWARDSHIP:
A MATTER OF THE HEART

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Abstract

This paper seeks to explore the idea of stewardship in contrast to the concept of a fiduciary in the financial services industry. The first section looks to formalize what a steward is and, at the present moment, what a fiduciary is. These characteristics are evaluated from different perspectives, that of worldview (biblical versus secular) and application (legislators and financial professionals). Using principles rather than rules, we argue that stewardship, through the guidance of the Holy Spirit, is an ideal methodology to handle financial resources. These principles, titled by Ron Blue as the Five Transcendent Principles, are to 1) Spend Less than you earn, 2) Avoid the Use of Debt, 3) Maintain Liquidity, 4) Save for the long-term, and 5) Give generously. We then apply these principles to the financial planning process for individuals, businesses, and then society overall. We conclude with some additional future research topics.

Stewardship: A Matter of the Heart

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Stewardship: A Matter of the Heart

> "We seek to be a thought leader with great influence committed to changing the way Christians think, act, and communicate about financial stewardship empowering the Church and changing the world by teaching that Jesus Christ is the source of all wisdom."
> ~ Ron Blue Institute, Vision Statement[i]

Christians are called to be good stewards of the resources provided by God (Ps 24:1-2).[1]

One of the most important aspects of stewardship is the wise use of financial resources. This can be both personal resources, as well as the financial resources of a business, and society as a whole. In 2013, Ron Blue, entrepreneur, author, and speaker, developed a partnership with Indiana Wesleyan University. The outcome of this partnership was the formation of the Ron Blue Institute for Financial Planning.[2] The function of the Ron Blue Institute is threefold:

- Develop both graduate and undergraduate curricula around biblical financial planning.
- Create and develop training modules for pastors, academic instructors, as well as development of church curriculum on financial stewardship.
- Conduct research and become the leading thought leader as it relates to applying biblical wisdom in financial decision making.

The foundation of this work was developed by Ron Blue[ii] over his 35-year career in the financial services industry which has been so eloquently preserved through some twenty books on applying biblical principles into practical application. Ron's work has set the stage for the Ron Blue Institute for Financial Planning to fulfill its vision, namely:

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[1] *Psalm 24:1-2: "The earth belongs to the Lord, and its fullness, the world, and those who dwell in it. He has founded it on the seas, and established it on the floods" (MEV).*

[2] The Ron Blue Institute for Financial Planning, which focuses on applying biblical principles to all areas of the financial decision making process, opened in January 2012 at Indiana Wesleyan University. The Institute is a partnership between IWU and biblical financial planning expert Ron Blue. (Indiana Wesleyan University, 2015, para. 1).

> *The Ron Blue Institute for Financial Planning seeks to be a thought leader with great influence committed to changing the way Christians think, act, and communicate about financial stewardship empowering the church and changing the world by teaching that Jesus Christ is the source of all wisdom* (Ron Blue Institute, 2015).

The most unique differentiator of the Ron Blue Institute for Financial Planning is the focus of stewardship at the center of decision-making. The objective of the institute is to change the traditional way society thinks, acts, and discusses financial management. Ultimately, this will require a change in the way most people think about managing money. We need to think of our possessions and wealth in a completely different way. Resources are not something that we own, they are provided by God. Thus we need to think of resources in terms of wise stewardship.

Ron Blue has capsulized what wise stewardship means in the phrase "live, give, owe and grow," meaning that we should live on less than we earn, avoid the use of debt, build liquidity, set long-term goals and live generously. While these pillars of financial stewardship were originally designed with individual financial management in mind, they also apply in the corporate setting and for all of society. See Figure 1. Each of these stewardship pillars are based on biblical principles. For example, the book of Proverbs[iii] covers each one: Living and working (Prov 29:19),[3] Giving (Prov 11:24-25),[4] Owing and implications of debt (Prov 22:7),[5] and Growing and planning (Prov 21:5).[6]

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[3] Proverbs 29:19: "Words alone will not discipline a servant; the words may be understood, but they are not Heeded" (NLT).

[4] Proverbs 11:24-25: "Give freely and become more wealthy; be stingy and lose everything. 25The generous will prosper; those who refresh others will themselves be refreshed" (NLT).

[5] Proverbs 22:7: "If you have no money to pay, even your bed will be taken from under you" (HCSB).

[6] Proverbs 21:5: "The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty" (ESV).

Pillars	Principles	Uses
Perspectives	Spend less than you earn	Lifestyle
Principles	Avoid the use of debt	Debt
Priorities	Build liquidity	Taxes
Processes	Set long term goals	Saving
Planning	Give generously	Giving

Figure 1. Five Pillars of Financial Stewardship[7]

The Ron Blue Institute seeks to reestablish the recognition that we are stewards of what God has provided. For many, however, this idea of stewardship is confused with the notion in the financial services industry of fiduciary responsibility. This paper seeks to differentiate the idea of a "fiduciary" with that of a "financial steward" in decisions of personal finance, in corporate finance, and in the broader context of finance and the overall economy. We advocate that we must be motived by biblical principles rather than by a sense of consequences from rules which assume that wealth is manmade.

Two Ideologies

Since the passing of the Dodd Frank Wall Street Reform and Consumer Protection Act in 2010,[iv] known most commonly as Dodd Frank, there has been a heated debate over who should be identified as a fiduciary and how investment advisors who manage clients' assets act in accordance with being a fiduciary. To some, this idea of a fiduciary defined commonly as doing what's in the best interest of the client--may seem obvious, and quite familiar. Although this idea of fiduciary may sound similar to the biblical idea of stewardship, they lead to distinctly different methods of decision making. Broadly speaking, a steward is one who is an overseer or manager

[7] Ron Blue Institute. (2015). About the Ron Blue Institute. Retrieved October 20, 2015, from IWU Ron Blue Institute: https://www.indwes.edu/ron-blue-institute/about-the-institute

of someone's property. There are multiple examples of this idea of stewardship, which is the act of being a steward, throughout the Bible. In the Old Testament, we see Joseph as a steward over Potiphar's household (Gen 39:2-5),[8] and in the New Testament Jesus relates the "Parable of the Talents." In the latter, the idea of stewardship is demonstrated as the Master entrusts his property with his servants (Matt 25:14-30)[9] and then leaves on an extended journey. In both of these

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[8] Genesis 39:2-5:

> The Lord was with Joseph, so he succeeded in everything he did as he served in the home of his Egyptian master. [3]Potiphar noticed this and realized that the Lord was with Joseph, giving him success in everything he did. [4]This pleased Potiphar, so he soon made Joseph his personal attendant. He put him in charge of his entire household and everything he owned. [5]From the day Joseph was put in charge of his master's household and property, the Lord began to bless Potiphar's household for Joseph's sake. All his household affairs ran smoothly, and his crops and livestock flourished. (NLT)

[9] Matthew 25:14-30:

> [14]"Again, the Kingdom of Heaven can be illustrated by the story of a man going on a long trip. He called together his servants and entrusted his money to them while he was gone. [15]He gave five bags of silver to one, two bags of silver to another, and one bag of silver to the last—dividing it in proportion to their abilities. He then left on his trip.
>
> [16]"The servant who received the five bags of silver began to invest the money and earned five more. [17]The servant with two bags of silver also went to work and earned two more. [18]But the servant who received the one bag of silver dug a hole in the ground and hid the master's money.
>
> [19]"After a long time their master returned from his trip and called them to give an account of how they had used his money. [20] The servant to whom he had entrusted the five bags of silver came forward with five more and said, 'Master, you gave me five bags of silver to invest, and I have earned five more.'
>
> [21]"The master was full of praise. 'Well done, my good and faithful servant. You have been faithful in handling this small amount, so now I will give you many more responsibilities. Let's celebrate together!'
>
> [22]"The servant who had received the two bags of silver came forward and said, 'Master, you gave me two bags of silver to invest, and I have earned two more.'
>
> [23]"The master said, 'Well done, my good and faithful servant. You have been faithful in handling this small amount, so now I will give you many more responsibilities. Let's celebrate together!'
>
> [24]"Then the servant with the one bag of silver came and said, 'Master, I knew you were a harsh man, harvesting crops you didn't plant and gathering crops you didn't cultivate. [25]I was afraid I would lose your money, so I hid it in the earth. Look, here is your money back.'
>
> [26]"But the master replied, 'You wicked and lazy servant! If you knew I harvested crops I didn't plant and gathered crops I didn't cultivate, [27]why didn't you deposit my money in the bank? At least I could have gotten some interest on it.'
>
> [28]"Then he ordered, 'Take the money from this servant, and give it to the one with the ten bags of silver. [29]To those who use well what they are given, even more will be given, and they will have an abundance. But from those who do nothing, even what little they have will be taken away. [30]Now throw this useless servant into outer darkness, where there will be weeping and gnashing of teeth.' (NLT)

examples, Joseph and the Master's servants were given property and delegated responsibility for wise stewardship of the property.

Although on the surface these two ideologies--fiduciary and stewardship--look to be similar in nature, they are two vastly different concepts. We use the phrase, ideology to describe these terms because we must understand that these words are more than just a list of characteristics that make up their title. These two words make up a system of ideas that form a basis of economic and political theory and policy ("Fiduciary," 2015; "Stewardship," 2015). First, we will look at how these two ideologies differ in their definition by viewing each through the lens of their creators, the Employee and Retirement Income Security Act of 1974,[v] and the Bible, dating back to the beginning of creation. Next, we will argue that establishing a paradigm through the biblical lens of financial stewardship surpasses the legal, ethical, and moral obligations posed by this idea of fiduciary. Finally, we will review why this ideology is so evasive and how we can begin to draw closer to becoming true financial stewards.

Defining Fiduciary and Stewardship

Before an examination of how these concepts differ, it is instructive to see how these ideas are similar. First and foremost, both fiduciaries and stewardship relationships require two different parties, an owner/principal and a manager/agent. These two parties are separated by their relationship to a collection of possessions or property. The owner or principal has ownership of the property which entitles the owner to certain rights. Rights provide the owner a moral and legal entitlement to have or obtain something and use it for the benefit of the owner. The manager or agent in this relationship does not have any rights to the property, but rather has duties. In terms of the possessions or property, the manager's duties are to control and preserve

those possessions. The manager is also tasked with using their personal control of the possessions to benefit, or provide additional utility, to the owner.

In the fiduciary relationship, the owner provides control of their assets, most notably in their retirement accounts, to a fiduciary who then manages those assets to benefit the retirement plan participants. In a stewardship capacity, specifically as it relates to biblical stewardship, Christians view and acknowledge that God owns everything, and they are acting as managers to what God has bestowed on them or given to them. There are three main differences that separate these two ideologies. First, fiduciary comes from a worldly perspective; whereas, biblical stewardship is established by God in His word. Secondly, there is not a clear understanding of how fiduciaries are defined and thus how they are to act; whereas, biblical stewardship provides a helper, the Spirit of Truth (John 16:13)[10] to clarify our understanding as a steward. Finally, fiduciary, by its nature will be established based on rules and regulations; whereas, biblical stewardship is established on Godly principles.

Many Philosophical Lenses

Decisions we make are a function of our worldview, the way in which our beliefs are manifested through our actions. Our worldview, then, becomes the force by which we live our lives. There are many philosophical lenses by which people view the world.

Secular View

One of the most troublesome aspects of many secular worldviews is moral relativism, which posits that there are no absolutes when it comes to right and wrong. Laws are made to

[10] John 3:16: "For God loved the world in this way: He gave His One and Only Son, so that everyone who believes in Him will not perish but have eternal life" (HCSB).

keep the society functioning, but these laws are not based upon any foundation of unchanging principles. Unfortunately, we have seen over and over again how this process fails. In the world of finance, we have seen this in the past decade with implementation of various regulations such as Sarbanes Oxley,[vi] which was intended to create additional transparency in financial reporting. The other major piece of legislation, the Dodd Frank Act added additional layers of regulations. James, Goodpaster, and Rodbourne (2015) observe that when the expectations of society regarding corporate responsibility are not met, government imposes laws and regulations. With the upcoming proposals to expand the scope of who is defined as a fiduciary, we continue to see more and more regulation related to overseers of other people's finances.

Biblical View

In contrast, there is a biblical worldview which provides the foundation for moral behavior in the eyes of God, and the reunification with God through His grace. When looking at this overall narrative, we can articulate our roles as stewards within this biblical framework. God created the world and all that is in it (Acts 17:24)[11] which by nature puts God as the owner of all things. God created man to enjoy and sustain His creation (Gen 2:15),[12] but man sinned against God; yet, by the grace of God, He put man to work/toil outside the Garden of Eden (Gen 3:17).[13] At this point, there is a decision that can be made by us once we acknowledge our fallen nature

[11] Acts 17:24: "God, who made the world, and all things therein; he, being Lord of heaven and earth, dwelleth not in temples made with hands…" (DRA)

[12] Genesis 2:15: "And the Lord God took man, and put him into the paradise of pleasure, to dress it, and to keep it" (DRA).

[13] Genesis 3:17: To Adam he said, "Because you have listened to your wife's voice, and ate from the tree, about which I commanded you, saying, 'You shall not eat of it,' the ground is cursed for your sake. You will eat from it with much labor all the days of your life. (WEB)

(Rom 3:23).[14] This decision is accepting Christ as our savior, thus creating a new reference point. We own nothing and God provides everything. We must also understand that we are in a role of a steward or manager of assets that belong to God. Richard Niebuhr, a 21st century theologian, has been attributed to have said, "Stewardship is everything we do after we accept Christ" (as cited in Rodin, 2000, p. 73).

Regulators View

Fiduciaries, or those who will ultimately fall under the role of fiduciary standards, have very little guidance of what should and needs to be done to be "in good standing" as a fiduciary to their clients. It is not clear how fiduciaries fulfill "what is in the best interest of their client?" There are varying positions that have been in constant discussion about this very question. Unfortunately, the two sides: (1) financial regulators (those that craft the rules) and (2) financial service professionals (those that must follow the rules), often do not agree. From the perspective of the regulators, investment advisors should always do what is in the best interest of the client. The current standard, however, only requires financial professionals to ensure that an investment is suitable for a client. Suitability refers to making an investment choice that falls within two main client objectives:

- ✓ Is the investment decision appropriate for the time horizon the client has prior to needing those funds?
- ✓ Does the investment match the risk tolerance of the client?

[14] Romans 3:23: "Because all people have sinned, they have fallen short of God's glory" (GW).

Therefore, regulators are seeking to require investment advisors, financial planners, and others who provide investment advice to be able to document and support that each investment made is in the best interest of the client.

Financial Profession View

The financial profession's view is not well established. Financial professionals posit that how one defines or articulate "what is in the client's best interest" has yet to be determined. Advisors have grounds to suggest that clients may not be the best ones to answer that question. Over the past decade, many financial professionals and other financial experts held to Markowitz Modern Portfolio Theory (MPT)[15] as the seminal theory in finance. Markowitz (1952) was able to demonstrate the trade-off of risk versus return by using a graph, which he titled The Efficient Frontier (EF). The efficient frontier is a curve, which identified all possible allocations of investments (risky to conservative) that will be acceptable to an investor based on their risk preference. Although this seems straightforward, there are two significant assumptions made in this theory. The first is that investors are seeking to always maximize their wealth, and the second is that investors make rational decisions. According to Shiller (2003), this theoretical mindset was strong up, and through, the early 1980s. Since then, researchers have shown that investors do not always make rational decisions. This new field has shifted away from the economic background of finance and has begun to transition into both psychology and sociology (Shiller, 2003). With the guide of academics and researchers, such as Richard Thaler, David Kahnemann, Robert Shiller, Amos Traversky, and others, the financial services field has begun to understand that investors require proper guidance in order to overcome flaws that make

[15] Markowitz Modern Portfolio Theory (MPT): "A theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk, emphasizing that risk is an inherent part of higher reward" (Modern Portfolio Theory [MPT], 2015).

individuals irrational at times. In summary, research has shown that investors do not always make decisions based upon the traditional definition of economic rationality,[16] and this makes it difficult for an advisor, who is guided by the general notion of the objectives of a fiduciary, to use the same rules for all clients.

Rules versus Principles

For many of us, we think that rules and principles are synonymous or mean the same thing. On the surface, that appears to be true, both words provide us with a measure or guide in which we are to function. However, these two words should be expressed at two ends of a spectrum. Rules are a collection of external guidelines created by others that compel you to do something good or right or not to do something bad or wrong. These rules are usually attached to some form of consequence (i.e., punishment) if they are not followed. Principles, on the other hand, are internal motivations that will cause you to act to do good and right. With principles, there is no threat of punishment, but rather a sense of self failure should there exist a violation of those principles. Rules, then, are created by man; whereas, principles are established by one's worldview.

A rule, defined in the context of finances, is "a prescribed guide for conduct or action" ("Rule,"2015). In other words, a rule is prescriptive and tells someone how to or how not to do something. A principle is "a basic truth or theory: an idea that forms the basis of something" ("Principle,"2015). This definition poses a significant difference in the use of the word truth. In

[16] Rational Behavior:

> A decision-making process that is based on making choices that result in the most optimal level of benefit or utility for the individual. Most conventional economic theories are created and used under the assumption that all individuals taking part in an action/activity are behaving rationally. ("Rational Behavior," 2015)

the Gospel of John, we see that Jesus tells Thomas in one of the most quoted scriptures in the Bible, 'I am the way, the truth, and the life. No one comes to the Father except through me'" (Jn 14:6 ESV). Jesus tells us that he is Truth and through Him (Jn 1:1)[17] we can seek these principles by which we manage God's resources.

Paul, in his letter to the Ephesians, proclaims:

"Now this I say and testify in the Lord, that you must no longer walk as the Gentiles do, in the futility of their minds. They are darkened in their understanding, alienated from the life of God because of the ignorance that is in them, due to their hardness of heart. They have become callous and have given themselves up to sensuality, greedy to practice every kind of impurity.

But that is not the way you learned Christ!—assuming that you have heard about him and were taught in him, as ***the truth is in Jesus****, to* ***put off your old self****, which belongs to your former manner of life and is corrupt through deceitful desires, and to be renewed in the spirit of your minds, and to* ***put on the new self****,* ***created after the likeness of God in true righteousness and holiness****. Therefore, having put away falsehood, let each one of you speak the truth with his neighbor, for we are members one of another." (Eph 4:17-25 ESV, bold added for emphasis)*

As Paul describes in this scripture, we are to put off our old self and put on our new self, being renewed by God. Knowing that rules are manmade, there exists corruption and selfish desires in each of those rules established by man. However, Paul then establishes a new way that we put on a new self, created and imaged after that of God who is true, righteousness, and holy.

[17] John 1:1: "In the beginning was the Word, and the Word was with God, and the Word was God" (ESV).

This new self is thus created with a new sense of truth which in turn creates a new set of internal principles.

Why Stewardship and Not Fiduciary Standards

As we seek to understand more about the way Christians are to use money as a steward, we need to first put off old ways of thinking about money. This paradigm shift in the way Christians are to think about money can be initiated by moving from a rules- based system to a principle-based system. Ron Blue, drawing upon his experience in the financial services industry, has incorporated the biblical principles of money and money management as the "Five Transcendent Principles" of money management. These principles are universal and apply across cultural and religious lines, and have always been and will always be right. The Five Transcendent Principles of money and money management are:

1. Spend less than you earn
2. Avoid the use of debt
3. Build liquidity or margin
4. Save for the long-term
5. Give generously

These five principles are fundamental to all financial decisions we make as Christians.

With the endless possibilities of financial choices, we know that scripture does not answer all of life's questions such as: Should I buy or rent a house? Do I invest in risky assets such as individual stocks? Do I pay for private school? Can I afford to buy a car? However, as these choices are seen through the lens of biblical principles, each person can determine the best way to utilize God's resources through discernment—i.e., prayer, wise Christian counsel, lessons

learned from experience (self and others), and church tradition. This determination ultimately comes from a change of heart (Ezek 36:26).[18]

As recorded in Luke's Gospel, we find "Where your treasure is, there your heart will be also" (Lk 12:34 ESV). And as negative financial behaviors continue to be prominent--such as low savings rates, high credit card usage, and high debt levels--our intuition leads us to suggest that more information or more knowledge is required to counter such behaviors. Unfortunately, more information has not led to a decrease in detrimental financial behaviors. Why? Paul states it succinctly, "For the wisdom of this world is folly with God. For it is written, 'He catches the wise in their craftiness' (1 Cor 3:19 ESV). The more earthly wisdom we seek, the more foolish we become. Therefore, we must have a change of heart in order to see a change of behavior. We must embrace two fundamental notions. First, all Christians need to understand and accept that God owns everything. This includes our time, our talents and skill sets, our treasures (money and possessions), and our relationships (family and friends). Second, after we understand and acknowledge that God owns all things, we will begin to see ourselves as a steward of the resources God has given to us to manage. This, however, is not a process that happens immediately. It will be a long process. As we begin to see ourselves in this new role as a steward, then financial choices are viewed differently. We begin to ask ourselves prior to each financial transaction, "Is this something God would have me do with His money?" or "Does this financial transaction glorify God?"

Many might suggest that becoming more Christ-like can be defined as the process of sanctification, maturing in our relationship with Christ. Unfortunately, for many of us, we seem

[18] Ezekiel 36:26: "And I will give you a new heart, and a new spirit I will put within you. And I will remove the heart of stone from your flesh and give you a heart of flesh" (ESV).

to eliminate our finances from that process. This process of sanctification is demonstrated as Christians begin to alter their rationale for the decisions they make, specifically financial decisions. These financial decisions are small interactions that are part of an ultimate goal or plan. Financial planning can be defined as the continuation of allocating limited financial resources to changing and unlimited alternatives. As Christians begin to change their view of money and their role of money, choices related to allocating money begins to narrow.

Application of the Transcendent Principles

Personal financial planning. There has been significant research over the years as it relates to financial behaviors that impact one's financial satisfaction. Roberts and Jones (2001) reported that those with high levels of financial debt and credit card use tend to report higher rates of financial difficulties and dissatisfaction. There appear to be two separate and distinct components that influence our behaviors: our financial management practices and our money attitudes (Dowling, Tim, & Hoiles, 2009). Both financial management practices and attitudes are addressed within the five transcendent principles of money: (1) Spend less than you earn, (2) Avoid the use of debt (3) Maintain liquidity (4) Save for the long-term, and (5) Give generously. Financial management practices are associated with the second (Avoid the use of debt), third (Maintain liquidity), and fourth (Save for the long-term); while the first (Spend less than you earn) and the fifth (Give generously) speak to one's attitude about money.

Financial management practices. Three of the five transcendent principles of money provide wisdom to our financial management practices, the way in which people should manage their resources. The first money management principle is to avoid the use of debt. Research has shown that debt is one of, if not the main reason, for financial stress (Boddington & Kemp, 1999; Joo, Grable, & Bagwel, 2003). It is critical to understand that the principle does not imply to

never take on debt, but to avoid its use. In a financial decision that may require debt, it is prudent to evaluate the motives prompting the decision and to seek biblical counsel to help guide the decision to take on the debt. The second principle that corresponds to financial management practices is to maintain liquidity or margin. Stated another way, this principle is applied when you have sufficient emergency savings available to cover unexpected financial circumstances, such as car repairs or medical bills. When sufficient liquid assets are available for use during unexpected financial emergencies, then the first principle of avoiding the use of debt can be honored. The fourth use of money, saving for the long-term, is the last money management principle. This principle establishes the need to put resources aside for later in life which could be drawn upon for a variety of reasons; such as retirement lifestyle, starting a business, or merely financial independence, or leaving an inheritance to our children's children (Prov 13:22).[19] Proverbs 21:5 provides great insight as it reads, "The plans of the diligent lead surely to abundance, but everyone who is hasty comes surely to poverty" (ESV).

Money attitudes. It may seem counter-intuitive that the first principle—"spend less than you earn"-- is not housed in the financial management components, but actually as a money attitude. This notion of spending less than one earns is a proactive and intentional mental framework. With such easy access to credit, over- consumption will occur if one does not have this mentality, this preset choice not to overspend. Furthermore, this first principle allows us to fulfill the other four principles. If this choice is not made, then all the other principles will be in jeopardy. This principle sets the paradigm for money management. The last principle, give generously, provides a continual adjustment to our reference point. The Bible clearly articulates

[19] Proverbs 13:22: "Good people leave an inheritance to their grandchildren, but the wealth of sinners is stored away for a righteous person" (GW).

the establishment of giving in Proverbs 3:9 "Honor the LORD with your wealth, and with the first and best part of all your income" (GW) for the purpose of spreading the gospel, discipleship, and to serve the poor, widows, orphans, and needy. Jerry Bowyer, in his video "Principled Reasoning: An Economic Worldview," Jerry states, "When we give, we are re-establishing our place in the world God created" (as cited in Morgan, n.d.). This statement really helps to identify the main attitude of giving which is a method to objectively show that our resources are not ours, that we are a steward, and that God wants us to manage what He has given to us to manage by giving back to Him, through both tithes to the church (Mal 3:16)[20] and to others in need (Prov 19:17).[21]

Corporate financial planning. In virtually all financial management textbooks, the objective of finance is stated as the maximization of wealth for the owners of the firm. The basis for decision making in a stewardship model is grounded in a biblical foundation and not a narrow objective of maximizing wealth. This changes the objective of the firm from wealth maximization to wise stewardship of resources. This does not obviate the need for the firm to be profitable. In fact, long-run profitability is a necessary, but not sufficient condition for managing the firm. But stewardship means that employees and customers must be treated fairly and share in the benefits generated by the firm.

Further, it requires that corporations must live within their means, and not take on excessive debt. Although few individuals or corporations avoid debt entirely, the distinction is

[20] Malachi 3:16:

> Bring the whole tithe into the storehouse, that there may be food in my house. Test me in this," says the Lord Almighty, "and see if I will not throw open the floodgates of heaven and pour out so much blessing that there will not be room enough to store it. (NIV)

[21] Proverbs 19:17: "Whoever is generous to the poor lends to the Lord, and he will repay him for his deed" (ESV).

whether the individual or corporate debt leads to a prudent investment and growth, or simply short-run consumption and waste. The recent financial crisis was a prime example of how excessive personal debt, mortgage debt over and beyond an individual or family means for paying the mortgage or, on the corporate level, highly leveraged financial institutions making investment with mostly borrowed money. The unwise personal and corporate use of debt created a world-wide recession and breach of trust with financial institutions. Finally, it means that corporations must not degrade the environment to gain additional profits at the expense of current and future generations.

Societal issues. Just as an individual and a corporation should be guided by the principles of stewardship, so too should the national policy. Once again, policy decisions must be guided by the wise use of the resources provided by God. This includes both natural as well as human resources. Clearly, this leads to decisions of sustainable development and providing opportunity for personal growth personal growth for all citizens. It also means that nations must live within their means (Ps 22:28).[22] The most recent example of Greece being unable to sustain their levels of debt shows that principles of prudent management of debt and building liquidity apply to nations as well as corporations and individuals. Finally, nations need to provide incentives for savings work. Savings provide the fuel for investment to build a better society and allow the nation to be generous in providing for those in need.

Conclusion

Over the past few years, we have seen a wide variety of news reports relating back to the U.S. government's push toward a fiduciary standard when it comes to investment planning.

[22] Psalm 22:28: "For the kingdom is the LORD'S: and he is the ruler over the nations" (ESV).

However, we should be viewing resources in a completely different way. This paradigm shift is a conscience effort to follow two premises: (1) God owns everything and I own nothing, and (2) I am a steward with duties, and not an owner. Once these two concepts are the basis of our decision-making, then following the Five Transcendent Principles of Money and Money Management becomes the way we act as a steward much more than that of a fiduciary: (1) Spend less than you earn, (2) Avoid the use of debt, (3) Build liquidity or margin, (4) Save for the long-term, and (5) Give generously. As Christians, we should identify with these principles, and embrace the paradigm for wise stewardship.

Research Topics for the Future

The mission of the Ron Blue Institute for Financial Planning is to "change the way Christians think, act, and communicate about financial stewardship" (Ron Blue Institute, 2015, Mission). This mission will be brought to fruition in part by seeking to publish around several key research topics:

1. *Contentment* has been suggested as the ultimate goal of biblical financial stewardship; however, little research has been conducted to study this concept. Current research seeks to develop a financial contentment scale that will guide pastors, researchers, and other counselors in quantitatively measuring one's contentment.
2. As previously mentioned, Christians need to not only "know" that God owns it all, and we are His stewards, but all our actions need to align with that understanding. There exists a need to understand how to keep a more consistent view of ourselves as Christian Stewards with duties, not rights.
3. As Christians we are commanded to give up everything and follow Christ. When we give up on the false belief that we own our possessions--and become stewards

working to glorify God--giving away God's resources becomes an outpouring from the heart. Research will seek to understand the overall giving attitude and practices of Christians. More specifically, will changing the paradigm of Christians to view themselves as stewards and act in accordance with that role play a part in one's overall giving?

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Bible Versions

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New International Version (NIV)

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New Living Translation (NLT)

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Dr. Justin M Henegar has worked in the financial services field for over 12 years. He completed his undergraduate degree at the University of Oklahoma, his MBA at Oklahoma Christian University, and his PhD in Personal Financial Planning from Kansas State University. Dr. Henegar was previously with Merrill Lynch where he was COO of a large team managing over $500 million in AUM. Dr. Henegar's research consists of evaluating how Christians think, feel, and behave around money. Dr. Henegar and his wife currently live in Noblesville IN where they homeschool their 5 children.

Stewardship: A Matter of the Heart

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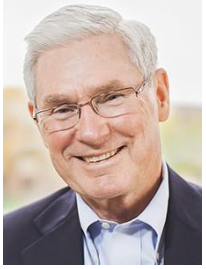
Dr. Wilkinson lives in the Indianapolis area and is active at St. Marks United Methodist Church. He and his wife have four children and eight grandchildren. Prior to full-time teaching at IWU, he worked for 27 years for the GTE Corporation. He is a past president of the Indiana Economic Forum, and has served IWU as the Faculty Chair for Non-residential, Chair of the University Faculty Relations Council, and Chair of the DeVoe School of Business. He was a recipient of the Paul Hoffner Award for contributions to adult education. In 2013, Dr. Wilkinson become Faculty Emeritus.

A Special Note of Thanks

A special note of thanks is extended to Ron Blue and DeVoe School of Business Advisory Board Members Pete Ochs, Eric Pillmore, and Doug Wilson.

Ron Blue, Chief Executive Officer



Ron Blue is the founder of Kingdom Advisors, a ministry that empowers Christian financial advisors who seek to integrate a biblical worldview into their advice and counsel. In 1979, he founded Ronald Blue & Company, the largest Christian financial planning firm in the country. He has authored eighteen books, including Master Your Money, The Complete Guide to Faith Based Family Finances, and Surviving Financial Meltdown. Ron holds a BS and an MBA from Indiana University. Ron is married to Judy and they have five grown children and thirteen grandchildren. They reside in Atlanta, Georgia.

Pete Ochs

Pete Ochs is the founder of Capital III, a private equity firm committed to creating economic, social, and spiritual capital. Prior to founding Capital III, Mr. Ochs spent 8 years in the commercial banking industry.

Eric Pillmore

Eric Pillmore retired in 2014 as the Senior Advisor to the Deloitte Center for Corporate Governance. Eric now serves on the boards of several companies and non-profits, as well as providing corporate governance best practice leadership in his role as President and CEO of Pillmore Consulting LLC, and serving as General Partner with the Amore Group Inc., a private multi-family real estate management firm.

P. Doug Wilson

Douglas Wilson is a principal of Monon Capital. Previously, he was senior vice president Hillenbrand, Inc., and vice president at Boston Scientific Corporation.

End Notes

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[i] Ron Blue Institute. (2015). About the Ron Blue Institute: Vision Statement. Retrieved October 20, 2015, from IWU Ron Blue Institute; https://www.indwes.edu/ron-blue-institute/About-the-Institute.

[ii] Ron W. Blue:

Following his graduation from Indiana University with a Masters of Business Administration degree, Ron joined the management group of Peat, Marwick, Mitchell & Co. and worked with the firm in New York City, Dallas, and San Francisco.

In 1970, Ron founded an Indianapolis-based CPA firm that has grown to be one of the 50 largest CPA firms in the United States. Leaving the CPA firm in 1977, Ron became Administrative Vice President of Leadership Dynamics International. While with Leadership Dynamics, he was involved in developing and teaching Biblically-based leadership and management seminars in the United States and Africa.

Convinced that Christians would better handle their personal finances if they were counseled objectively with the highest technical expertise and from a Biblical perspective, he founded a financial planning firm in 1979. That firm has grown to manage over $6 billion in assets for its more than 6,000 clients nationwide with a staff of over 350 people in 16 regional offices (Ron W. Blue, 2015).

[iii] From the Theology of Work Project, Inc. (2014):

The proverbs tell us that good work habits generally lead to prosperity, and that work habits grow out of character, and that character is formed by our awe of God. Indeed the fear of the Lord and wisdom are directly equated. "You will understand the fear of the Lord and find the knowledge of God. For the Lord gives wisdom; from his mouth come knowledge and understanding" (Prov. 2:5–6 [NRSV]) (Theology of Work Project, Inc., 2014).

[iv] Dodd-Frank Financial Regulatory Reform Bill definition:

A compendium of federal regulations, primarily affecting financial institutions and their customers that the Obama administration passed in 2010 in an attempt to prevent the recurrence of events that caused the 2008 financial crisis. The Dodd-Frank Wall Street Reform and Consumer Protection Act, commonly referred to as simply "Dodd-Frank", is supposed to lower risk in various parts of the U.S. financial system. It is named after U.S. Senator Christopher J. Dodd and U.S. Representative Barney Frank because of their significant involvement in the act's creation and passage ("Dodd-Frank Financial," 2015).

[v] Sarbanes-Oxley Act:

The Employee Retirement Income Security Act of 1974 (ERISA) is a federal law that sets minimum standards for most voluntarily established pension and health plans in private industry to provide protection for individuals in these plans.

ERISA requires plans to provide participants with plan information including important information about plan features and funding; provides fiduciary responsibilities for those who manage and control plan assets; requires plans to establish a grievance and appeals process for participants to get benefits from their plans; and gives participants the right to sue for benefits and breaches of fiduciary duty (U.S. Department of Labor, n.d.).

[vi] Sarbanes-Oxley Act of 2002:

The legislation came into force in 2002 and introduced major changes to the regulation of financial practice and corporate governance. Named after Senator Paul Sarbanes and Representative Michael Oxley, who were its main architects, it also set a number of deadlines for compliance. The Sarbanes-Oxley Act is arranged into eleven titles. As far as compliance is concerned, the most important sections within these are often considered to be 302, 401, 404, 409, 802 and 906. An over-arching public company accounting board was also established by the act, which was introduced amidst a host of publicity (Sarbanes-Oxley Act of 2002, n.d.).

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