



Ill-Gotten versus Well-Gotten Gain: the Biblical Perspective on Investing

On its face, this very-first instructional passage from Proverbs makes some provocative points — for example, that economic gain can be “ill-gotten”, and that such gain leads to death. But there is more here than meets the eye, including insight into God’s distinction between wise versus foolish business — and business investing.

Before discussing the business implications, let’s be clear about the personal application of this passage. Scripture (God) here teaches that when the getting of “all sorts of valuable things” is one’s primary objective, it leads (at least figuratively) to “lying in wait for someone’s blood”. Why? Because as Scripture makes clear throughout, there are only two kingdoms, each with a foundational operating principle diametrically opposed to that of the other kingdom. In God’s kingdom, the preeminent principle is SERVE — therefore meeting the needs and interests of others takes highest priority. By contrast, the first principle of the ‘kingdom of this world’ is BE SERVED — so meeting one’s own needs and interests takes precedence. The operational choice is between self-sacrifice and self-interest.

The teaching of verse 19 that there is both ill-gotten (and, by implication) well-gotten gain, and that ill-gotten gain brings death, is especially important. In conjunction with verse 13, God here calls ill-gotten gain plunder — the blunt but accurate label for gain achieved at the expense of others. Well-gotten gain is the polar opposite. It comes not at the expense of others, but as a byproduct of serving others. It is (the economic part of) God’s reciprocal blessing imparted to those who seek first to serve rather than be served.

It is both interesting and important to reflect on how this applies to business and investing. Some companies seek first and foremost to serve customers and society. They conduct their business, even if unintentionally, according to the first principle of the kingdom of God: SERVE. These companies devote themselves to creating real value for customers and society, and they treat customers as deeply valuable as well.

Other companies prioritize profit above all else. For these companies, maximizing profit, not creating value, is the true purpose of business. Profit is viewed not as the byproduct of business done well, but as the paramount priority. Customers become simply a means to that end. These businesses inexorably move (along a spectrum) from creating value to extracting value. Inevitably, they make choices that serve their profit priority at the expense of their customers, employees and society. According to Proverbs, these businesses really generate “profits by plunder”. And since gain made at the expense of others is inherently ill-

My son, if sinners entice you, do not give in to them.

If they say, "Come along with us; let's lie in wait for someone's blood, let's waylay some harmless soul;

let's swallow them alive, like the grave, and whole, like those who go down to the pit;

we will get all sorts of valuable things and fill our houses with plunder;

throw in your lot with us, and we will share a common purse" —

my son, do not go along with them, do not set foot on their paths;

for their feet rush into sin, they are swift to shed blood.

How useless to spread a net in full view of all the birds!

These men lie in wait for their own blood; they waylay only themselves!

Such is the end of all who go after ill-gotten gain; it takes away the lives of those who get it.

Proverbs 1:10-19 (NIV)

gotten and brings death, the implications are grave.

For Christian investors, it is important to note that the warning in this passage is not merely against those who originate a scheme for plunder. The warning is broadly directed against “joining in”, i.e., against any and all who participate. Those who willfully benefit from plunder, from gain achieved at the expense of others, are in grave danger.

This starts to get rather quickly uncomfortable. Let’s review: ill-gotten gain is gain made at the expense of others. Ill-gotten gain brings death. Many businesses make profits by harming rather than helping their customers (tobacco, abortion, and pornography come easily to mind, but so does some subprime lending, among other business activities). Investors in businesses, and in mutual funds that invest in businesses, are direct and willful beneficiaries of these profits. And profiting from plunder brings death, even if one’s involvement is merely complicit. Clearly, then, investing can be hazardous to one’s health.

On reflection, this is not especially surprising. Suppose one had opportunity to invest in the profit-making potential of a cocaine “business”. Christians understand implicitly that doing so, regardless of issues of legality or illegality, would put one at cross purposes with

God. But God’s prohibition is not just against particular schemes for ill-gotten gain like dealing cocaine, it is against all schemes where gain is created at the harm or expense of others.

Christian investors must, therefore, choose wisely. Businesses that seek first to serve — by maximizing value for customers, employees and society — operate according to the foundational principle of the kingdom of God. They are blessed by God, particularly with growth and profits that are healthy and sustainable.

But businesses that make profits at the expense of customers and society are really engaged in plunder, and plunder always ends badly. For these companies, and for their investors, the inevitable day of reckoning is painful — in fact, the subprime mortgage debacle provides a dramatic lesson in just how painful the investing outcome can be.

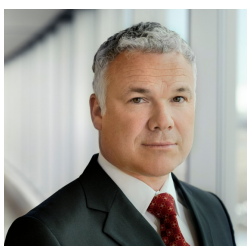
Scripture teaches that there are only two kingdoms, and only two operating principles. For individuals, for businesses, and for business investors, one approach brings life, the other death. In the most emphatic terms, God says, “Choose wisely. Choose life”.

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Eventide believes that companies who prosper best over the long-term are those that best serve the needs of others. Eventide, as Advisor to Gilead Fund, invests in companies that operate with integrity and excel at creating value. In so doing we enlarge the capacity of these businesses to create still more value, including for our shareholders. Just as importantly, Eventide avoids investing in companies that engage in predatory behavior or seek profit at all costs — practices which harm customers, society, and eventually shareholders.

The result is “stewardship investing” and it not only gives our shareholders the potential for superior returns, it also gives them a unique opportunity to partner with companies whose products and practices help create a better world.

We think of this as “business as blessing” and it is the cornerstone of our investment philosophy. Toward that end, the Advisor has committed to donate a portion of profits to charitable organizations that are serving the world, especially the global poor.



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