The Way of Capital: Faithful Stewardship in a Sinful World

Sample Chapter 1

Detailed Table of Contents

Opening Quote

"Christianity preaches the infinite worth of that which is seemingly worthless and the infinite worthlessness of that which is seemingly so valued."[1]

[1] Dietrich Bonhoeffer, quoted in Eric Metaxas, Bonhoeffer Pastor, Martyr, Prophet, Spy, p. 85.

Preface

This book arises from two simple yet far-reaching observations.

First, the Bible offers a uniquely coherent framework for understanding and engaging the marketplace—especially in the acquisition and management of capital.[2] The Christian worldview, grounded in Scripture, provides clarity where other frameworks often fall short. A worldview functions like a pair of glasses: it shapes how we see everything. More formally, it is the conceptual framework through which we interpret and evaluate reality.

Second, while many modern works attempt to connect matters of the soul with financial decision-making—particularly through behavioral economics—they often stop short of the deeper issue. They fail to fully account for the central tension in human behavior: the interplay between God's generous provision and humanity's sinful nature.

The central thesis here proceeds as follows: Capital is not ultimate. Christ is. Financial capital is a temporary tool entrusted by God, while metaphysical capital—wisdom, prudence, righteousness, diligence, trust, contentment, and the fear of the Lord—is more foundational and enduring. The Christian investor is therefore called not merely to accumulate wealth, but to steward capital faithfully under the Lordship of Jesus Christ in a sinful yet abundantly provisioned world.

This book focuses specifically on the management of financial capital through investing. It asks a straightforward but often neglected question: How should a Christian worldview shape the way we make investment decisions?

The whole book turns on the interaction between two biblical realities:

God's Loving Abundance God created, sustains, and governs a world filled with productive potential. Because human beings are made in the image of God, they can create, cultivate, innovate, build, organize, invest, and bless others through capital.

Human Sinful Depravity The same human beings who create wealth also distort, exploit, deceive, envy, speculate, oppress, and misuse it. Sin affects markets, institutions, business decisions, investment expectations, personal desires, and portfolio behavior.

Faithful capital management requires seeing both realities at once. Ignore abundance and finance becomes fear-driven scarcity. Ignore sin and finance becomes naïve optimism.

This work proceeds from a presuppositional Christian foundation. The Bible is assumed to be inspired, inerrant, and infallible in its original form, and trustworthy when faithfully translated and applied. While alternative worldviews are occasionally referenced, this book is not primarily an exercise in debate, but in construction. The philosophical groundwork has been

[2] The format for capital, dashed underline and slightly grey, indicates an entry in the Online Glossary (https://thewayofcapital.com/). This indication is provided on the first use of a particular term. Further, the Online Glossary provides many other selected terms of interest.

addressed more fully in *Evaluating the Philosophical Roots That Influence Financial Fruit: A Christian Perspective*. Here, we build upon that foundation.

To frame the discussion, consider a simple question: What would it mean to manage capital as a biblinarian?[3]

The term is admittedly coined for this book. By it, I mean a born-again Christian who treats the Bible as God's revealed Word—approaching it with reverence, intellectual rigor, careful interpretation, and a commitment to consistent application. Again, like a pair of glasses, this worldview shapes every aspect of life, including how capital is formed and managed.

The goal of this book is to provide both critical insights and practical tools for managing capital from within that framework. Two practical pillars of investing are explored in detail:

Financial Instrument Valuation Valuation is never merely mathematical. Present value, expectations, and cash flows all rest on assumptions about time, trust, human behavior, moral order, productivity, and the future. A Christian worldview changes what an investor is willing to value, fund, own, avoid, and patiently hold.

Managing Investment Portfolios Portfolio management is not merely return maximization. It is stewardship under uncertainty. Christians should diversify wisely, control costs, avoid speculation, resist panic, honor moral boundaries, and seek investment structures that are biblically serious, financially disciplined, and practically useful.

These pillars will be developed in detail. Financial instruments represent the highest level of measurable financial taxonomy. Contracts and securities are both types of instruments. A home purchase agreement is a financial contract; a retirement account typically holds financial securities such as mutual funds, which in turn hold stocks and bonds.

It is important to be clear about what this book is—and what it is not. There are many excellent resources addressing budgeting, debt management, and basic financial stewardship. Organizations such as Crown Financial Ministries and the work of Dave Ramsey have helped millions navigate foundational financial decisions. Their contributions are significant and valuable.[4]

This book operates at a different level. It is designed for those who want to move beyond basic financial principles and think more deeply about capital formation, investment decision-making, and portfolio management through a distinctly Christian lens—particularly in the context of emerging opportunities such as Biblically Responsible Investing (BRI).

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[3] The word biblinarian was given to me by Pastor Michael Crosswhite who attributed it to one of his seminary professors, Otis Fisher.

[4] See https://www.crown.org and https://www.ramseysolutions.com/. For more related organizations, see https://www.sharefaith.com/blog/2015/07/top-10-christian-based-financial-organizations/. For a listing of related books, see https://www.lifeway.com/en/shop/books/christian-living/life-issues/personal-finance.

My hope is you will gain confidence in managing your God-given capital, even during highly uncertain times. Even if you qualify as one of the “least of these” when it comes to wealth, you will be able to navigate turbulent financial environments.

If you do qualify as a higher net worth family who can afford to retain financial planners, the material presented here will equip you to better understand the benefits and costs of your advisor. Finally, my hope is financial planners will also engage with this material with the goal of improve their value added proposition for clients.

According to Faith Driven Investor, Christians steward a substantial portion of global wealth. If that is even directionally correct, then the question is unavoidable: What does faithful capital management look like?

The Way of Capital: Faithful Stewardship in a Sinful World represents a meaningful departure from both secular finance and much of the existing Christian financial literature.[5] For that reason, it may at times feel unfamiliar. Your patience is appreciated.

Book Outline

This book is organized into four parts moving from broad foundations toward increasingly practical applications. Along the way, we will provide biblical foundations, market insights, and numerous practical takeaways.

The overarching goal is not merely to help readers accumulate wealth, but to think Christianly about capital itself within a sinful yet abundantly provisioned world. Psalm 1 is the key passage identifying two ways—the righteous way and the wicked way.

Part I. Before the Portfolio: Seeing Capital Christianly Part 1 introduces the foundational tensions underlying all approaches to wealth, investing, and capital formation. We begin by contrasting God’s Loving Abundance and Human Sinful Depravity while establishing the distinction between physical and metaphysical capital.

The book begins by showing that there are ultimately two ways: God’s way and Not God’s way. The way of Abraham introduces capital as calling, promise, worship, stewardship, and blessing. We then examine the lives of other Old Testament characters, Jesus Christ, and the early church while contrasting Christianity with naturalism (a closed material system) as competing worldviews. Throughout these chapters, we repeatedly return to a central biblical reality: there are ultimately only two ways as provide in Psalm 1.

This part lays the groundwork for understanding why financial systems, investment theories, and approaches to wealth management differ so dramatically. Naturalism offers a competing

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[5] See, for example, Mark Spitznagel, *The Dao of Capital Austrian Investing in a Distorted World*, Wiley, 2013, Brian Portnoy, *The Geometry of Wealth* (Harriman House, 2018), David Dubofsky and Lyle Sussman, *Your Total Wealth: The Heart and Soul of Financial Literacy*, (HSF Publishing, LLC, 2021), Pulak Prasad, *What I Learned About Investing From Darwin*, (New York, NY: Columbia University Press, 2023), and John Coleman, *Good Money* (Harvard Business Review Press, 2026).

way, treating markets as largely material systems of incentives, scarcity, and self-interest. Christianity provides a deeper account of reality, value, ownership, risk, and purpose.

Part II. Build the Steward: Household Foundations for Investing

A portfolio cannot repair a chronically disordered household. Investment returns may strengthen a sound plan, but they cannot substitute for productive work, restrained debt, wise provision, regular generosity, or financial margin. Before the household decides what to hold, it must become capable of holding through both favorable and difficult seasons.

This part prepares the steward before turning to the investments. With household purpose, margin, time horizon, and risk capacity in view, the reader is ready to examine the marketplace, the financial claims traded within it, and the difficult difference between price and value.

Part III. Understanding the Investment: Markets, Instruments, and Value

Christian investors do not need to become full-time securities analysts, but they should understand what they own. A ticker symbol is not an explanation, a price is not a valuation, and a familiar fund name is not due diligence. Competence begins by looking beneath the screen to the institutions, claims, and assumptions that make investing possible.

This part equips the reader to ask informed questions without pretending to possess perfect knowledge. The market, the claim, and the argument for value now prepare us for investment selection and portfolio construction.

Part IV. Build the Portfolio: Alignment, Discipline, and Faithfulness

The first three parts have prepared the investor to act. We have considered the theology beneath the portfolio, the Owner above it, the household that supports it, the uncertain future before it, and the markets, instruments, and valuation judgments within it. This part brings these foundations together in the practical work of selecting, constructing, governing, and directing a Christian portfolio.

The perfect portfolio for every household is not offered in this book. It offers something more durable: a way to make decisions under the lordship of Christ. The goal is not omniscience, complexity, or financial self-salvation. It is competent, disciplined, generous, and hopeful stewardship of capital that belongs to God.

Chapter Layout Each chapter begins with a key Bible passage. Throughout the chapter, call out boxes focus on *The Way Applied* seeking to directly connect the materials covered with practical investment decision-making. One objective is to build confidence in our capacity to faithfully steward financial resources bestowed upon us by our loving Heavenly Father.

Each chapter concludes with Making the Connection. The goal is to connect the covered materials with actual financial management practice. This is accomplished through direct questions, Brief Case providing mini case studies, Practical Takeaways, Put It Into Practice assigned tasks, and The Way Forward connecting chapter concepts to what naturally follows.

Ultimately, this book argues that faithful investing is not merely about maximizing returns or minimizing risk. It is about learning to manage capital truthfully, prudently, courageously, and worshipfully under the Lordship of Jesus Christ.

We begin, as Peter exhorts, by preparing our minds:

> ***1 Peter 1:13–16*** *[13] "Therefore, preparing your minds for action, and being sober-minded, set your hope fully on the grace that will be brought to you at the revelation of Jesus Christ. [14] As obedient children, do not be conformed to the passions of your former ignorance, [15] but as he who called you is holy, you also be holy in all your conduct, [16] since it is written, 'You shall be holy, for I am holy.'" (ESV)*

This book is written with a simple aim: to equip you with practical, biblically grounded tools for managing capital faithfully in a broken world. The tools will engender confidence in your God-given assignment as His steward. Thus, the goal of capital is not more capital. The goal is faithfulness.

Physical capital can serve families, churches, businesses, communities, and future generations, but it cannot save, satisfy, or provide ultimate security. Metaphysical capital is more durable because wisdom, contentment, prudence, generosity, and faithfulness shape how physical capital is acquired, valued, managed, preserved, and given away.

A necessary caution must be stated: Scripture is clear, but our perception is not. As Martin Luther observed, apart from the Spirit of God, the human heart remains darkened—even when engaging Scripture intellectually.

If the Bible seems unclear or inaccessible, the issue is not with the text, but with the reader. The appropriate response is not dismissal, but prayer: that God would open the eyes of the heart through faith in Jesus Christ. When He does, understanding follows—like light entering a darkened room.

Unless otherwise noted, all Bible quotations are from the *English Standard Version*. Thank you for your patience and understanding. As always, the gift of feedback is deeply appreciated.

The way of capital is the faithful stewardship of temporary wealth under the eternal Lordship of Jesus Christ, producing wisdom, contentment, generosity, and fruitfulness in a sinful world.

PART I. BEFORE THE PORTFOLIO: SEEING CAPITAL CHRISTIANLY

An investor can begin with a brokerage statement and still begin in the wrong place. Before selecting funds, comparing returns, or deciding how much risk to take, the Christian must ask more basic questions: What is capital? Who owns it? What kind of world are we investing in? Every answer rests on beliefs about God, humanity, truth, purpose, and the future. In that sense, every portfolio has a theology—whether the investor recognizes it or not.

Chapter 1, “Every Portfolio Has a Theology,” establishes the book’s starting point. It presents the two ways of Psalm 1, expands capital beyond the physical assets a market can price, and introduces the Twin Investment Pillars of valuation and management. The chapter calls the reader to place purpose before technique and to recognize that every allocation quietly expresses a view of what matters.

Chapter 2, “Whose Capital Is It? The Way of Abraham,” moves from worldview to ownership. God is the Owner; the investor is a steward. Abraham, Lot, Solomon, and Job show different ways of receiving, using, misreading, and surrendering capital beneath divine providence. Stewardship replaces the question “What do I own?” with the more faithful question “What has been entrusted to me, and what is it for?”

Chapter 3, “Hopeful Realism in a Sinful World,” then describes the environment in which stewardship occurs. God’s Loving Abundance gives reason to expect creativity, cooperation, fruitfulness, and common grace. Human Sinful Depravity gives reason to expect deception, idolatry, exploitation, and failure. The Resurrection Principle prevents either visible gain or visible loss from becoming the final verdict. Together, these truths prepare the Christian to invest with hope, prudence, and open eyes.

Part I therefore begins before the portfolio because faithful investing begins before the first trade. Once we see capital Christianly, the next question is whether the household is prepared to carry the responsibilities that investment capital creates.

Chapter 1. Every Portfolio Has a Theology

Key Passage: Psalm 1:1–6 Two Ways, Two Destinations

> ***Psalm 1*** *1 Blessed is the man who walks not in the counsel of the wicked, nor stands in the way of sinners, nor sits in the seat of scoffers; 2 but his delight is in the law of the LORD, and on his law he meditates day and night. 3 He is like a tree planted by streams of water that yields its fruit in its season, and its leaf does not wither. In all that he does, he prospers. 4 The wicked are not so, but are like chaff that the wind drives away. 5 Therefore the wicked will not stand in the judgment, nor sinners in the congregation of the righteous; 6 for the LORD knows the way of the righteous, but the way of the wicked will perish.*

Introduction: The Question Before the Portfolio

Open a brokerage statement and the page appears almost aggressively practical. There are account values, fund names, ticker symbols, gains, losses, percentages, and perhaps one cheerful pie chart pretending that everything is under control. Nothing on the statement asks what you worship. Nothing asks what you believe about human nature. Nothing asks whether wealth is a tool, a refuge, a scoreboard, or a master.

Yet those questions are already present. They sit beneath the numbers like a foundation beneath a house. Before an investor selects a fund, estimates a return, or chooses a retirement date, the investor has already made assumptions about what is real, what is valuable, what the future holds, whom to trust, and what a good life looks like. Those assumptions may be carefully examined, casually inherited, or almost completely invisible. Invisible does not mean unimportant.

This chapter begins with a simple claim: every portfolio has a theology. That does not mean every investor has written a doctrinal statement and tucked it beside the investment policy statement. It means every portfolio expresses beliefs about ownership, value, risk, purpose, and hope. A portfolio may announce those beliefs quietly, but it announces them nonetheless.

Two investors can own the same broad-market index fund and still be walking in different directions. One may treat the account as entrusted capital to provide for a family, support generosity, strengthen useful work, and preserve flexibility for future service. The other may treat the same account as a private fortress against dependence, aging, uncertainty, and God. The security is identical. The lord is not.

Faithful stewardship therefore begins before security selection. It begins with The Way: the faithful stewardship of temporary wealth under the eternal Lordship of Jesus Christ, producing wisdom, contentment, generosity, and fruitfulness in a sinful world. The goal of capital is not merely more capital. The goal is faithfulness.

This does not make investment technique unimportant. Prices matter. Cash flows matter. Fees, taxes, diversification, risk, and valuation all matter. But technique cannot determine the purpose it serves. A calculator can help estimate a future value. It cannot tell you what the future value is for. A spreadsheet can measure a portfolio. It cannot measure a soul.

A. Two Ways Before Two Returns

A1. Psalm 1 and the Investor's First Decision

Psalm 1 does not begin with a return forecast. It begins with a road. The blessed person refuses the counsel, path, and settled posture of the wicked and instead delights in the instruction of the Lord. The psalm then places two images side by side: a well-watered tree that bears fruit in season and chaff driven away by the wind.

The contrast is moral and spiritual before it is financial. Psalm 1 is not a promise that righteous investors will outperform a benchmark or avoid every loss. Scripture gives us Job as a permanent warning against that kind of mechanical conclusion. The righteous may suffer. The wicked may prosper for a season. Quarterly results are poor instruments for measuring final destinations.

Nevertheless, the psalm insists that direction matters. Counsel becomes a path; a path becomes a settled place; a settled place becomes a life. The same pattern appears in investing. A repeated fear becomes a habit of market timing. A repeated craving becomes speculative concentration. A repeated compromise becomes a portfolio that no longer troubles the conscience. Small decisions accumulate, not only through compound interest but through compound formation of character.

The investor's first decision is therefore not, "Which fund should I buy?" The first decision is, "Which counsel will shape me, and which way am I walking?" Financial advice is never merely a collection of facts. It carries assumptions about happiness, security, responsibility, scarcity, and the future. Some advice is useful. Some is foolish. Some looks wonderfully sophisticated right up until the moment it explodes.

Psalm 1 offers both warning and encouragement. The tree bears fruit "in its season." Faithfulness has a time dimension. It is patient, rooted, and nourished by a source outside itself. The tree does not panic because the neighboring tree had a better quarter. It remains planted. That is not a complete portfolio strategy, but it is an excellent posture for building one.

A2. Jesus, the Only Way

> ***John 14*** *6 Jesus said to him, "I am the way, and the truth, and the life. No one comes to the Father except through me."*

Psalm 1 describes two ways. Jesus identifies himself as the Way. In John 14:6, he does not present himself as one spiritual option among many or as a useful consultant for the religious portion of life. He says, "I am the way, and the truth, and the life."

That claim reaches investment decisions because the lordship of Christ is not divisible. A Christian cannot reasonably say that Jesus governs worship, family, morality, and eternity but has little to say about money, ownership, anxiety, generosity, truthfulness, or the treatment of neighbors. Following Christ changes what we call wealth, what we fear losing, what we are willing to finance, and how we define success.

This is why faithful stewardship cannot be conventional investing with a few Bible verses attached. Scripture does not merely decorate the process. It supplies the larger reality within which the process takes place. Jesus is not a screen added to the end of an otherwise autonomous investment system. He is Lord of the investor, the capital, the marketplace, and the future.

A3. The First Christians Were Known as People of the Way

> ***Acts 9:1–2*** *[1] But Saul, still breathing threats and murder against the disciples of the Lord, went to the high priest [2] and asked him for letters to the synagogues at Damascus, so that if he found any belonging to the Way, men or women, he might bring them bound to Jerusalem.*
> *See also* Acts 19:8–10, 23–27; and 24:14.

The earliest Christians were repeatedly identified as people belonging to "the Way." The title is revealing. Christianity was not viewed merely as a private opinion or a weekend activity. It was understood as a distinct way of living in public—one that reshaped worship, relationships, possessions, status, work, and loyalty.

Acts 19 shows that the Way could even disturb a local economy. The preaching of Christ threatened the business of craftsmen who profited from shrines to Artemis. The point is not that Christian conversion always destroys an industry or that every economic disruption is righteous. The point is that belief does not remain safely sealed inside the mind. When worship changes, behavior changes. When behavior changes, spending, saving, working, giving, and investing can change as well.

A faith that never reaches the brokerage statement has stopped too soon. People of the Way should have a recognizable approach to capital—not because every faithful Christian must own the same funds, but because Christians share a Lord, a moral framework, a view of the human person, and an eternal horizon.

1.1. The Way Applied: Begin with the Way, Not the Winner

Before comparing investment products, write one sentence answering this question: What kind of person is this investment helping me become?

A sound portfolio should do more than pursue a reasonable return. It should support patience, generosity, responsibility, and peace rather than feed envy, panic, pride, or the need to appear unusually clever.

B. Capital Is More Than Money

B1. Physical Capital: The Assets Markets Can Count

Most people hear the word capital and think immediately of money. Others think of businesses, factories, real estate, retirement accounts, or perhaps a nervous glance at the market after an unpleasant week. Modern finance usually defines capital in measurable terms: money or assets available for investment, production, or future gain.

This book calls those measurable resources physical capital. Physical capital includes cash, securities, land, buildings, equipment, ownership interests, contractual claims, and the numbers that appear on balance sheets and net-worth statements. It can exist at the level of an individual, household, church, business, community, or nation.

Physical capital matters. Families need food, shelter, transportation, insurance, and reserves. Businesses require tools, facilities, workers, technology, and financing. Churches and ministries need resources to serve people. Communities benefit from roads, institutions, skills, and productive enterprises. The Bible never requires us to pretend that material resources are imaginary or unimportant.

Physical capital also has a remarkable tendency to disappear. Fortunes vanish through war, inflation, fraud, foolishness, lawsuits, market crashes, political upheaval, bad partnerships, and occasionally a relative with a "can't miss" opportunity. Proverbs 23:4–5 warns that wealth can sprout wings and fly away. Useful? Yes. Ultimate? No.

Calling wealth temporary does not make stewardship casual. Temporary things can be used for lasting purposes. A meal is temporary, yet feeding a hungry person matters. A building is temporary, yet it can shelter a family or house a church. A portfolio is temporary, yet it can provide, give, support, and serve. The weakness lies not in physical capital itself but in asking it to perform work it cannot do—to save, justify, satisfy, or guarantee the future.

B2. Metaphysical Capital: The Assets Markets Cannot Price

Metaphysical capital refers to forms of wealth that are real but not merely physical. The term is used here in a straightforward way. It includes wisdom, discernment, prudence, diligence, integrity, trustworthiness, skill, knowledge, courage, contentment, relationships, reputation, and spiritual maturity.

There is no ticker symbol for wisdom. Prudence does not appear directly on an audited financial statement. Integrity cannot be downloaded into a spreadsheet. Yet over long periods these forms of capital often determine what happens to physical capital. A large inheritance in foolish hands may be consumed quickly. A modest beginning joined to diligence, trust, skill, patience, and sound judgment can become fruitful.

Metaphysical capital is not a mystical substitute for work or financial competence. Wisdom does not eliminate the need to understand fees. Character does not replace diversification. Prayer does not excuse careless analysis. Rather, metaphysical capital governs how physical tools are used. It determines whether skill serves stewardship or pride, whether risk serves a worthy purpose or merely excitement, and whether wealth remains a servant or becomes a master.

Scripture repeatedly treats wisdom as wealth. Proverbs 8 joins wisdom with prudence, knowledge, discretion, counsel, and enduring riches. This is not a promise that every wise person will become materially rich. It is a declaration that wisdom itself is a form of abundance—one that money may support but cannot purchase.

This broader definition of capital changes the household balance sheet. A person may have little financial wealth yet possess deep capital in character, relationships, craft, experience, faith, and reputation. Another may appear wealthy on paper while carrying severe deficits in trust, self-control, truthfulness, or purpose. Markets measure what can be priced. God sees what prices miss.

Proverbs 23:4–5 Wealth Sprouts Wings

> ***Proverbs 23:4a, 5*** *[4]Do not toil to acquire wealth; ... . [5]When your eyes light on it, it is gone, for suddenly it sprouts wings, flying like an eagle toward heaven.*

The proverb does not condemn productive work. It warns against exhausting oneself to obtain a form of wealth that cannot carry ultimate weight. Physical capital should be acquired and managed with diligence but never treated as a permanent possession or final refuge.

Proverbs 8:12–21 Wisdom and Enduring Wealth

> ***Proverbs 8:12, 14, 18–19*** *[12]"I, wisdom, dwell with prudence, and I find knowledge and discretion. ... [14]I have counsel and sound wisdom; I have insight; I have strength. ... [18]Riches and honor are with me, enduring wealth and righteousness. [19]My fruit is better than gold, even fine gold, and my yield than choice silver.*

Wisdom does not despise material fruitfulness, but it puts material fruitfulness in order. It teaches the investor what money is for, what risks are worthy, when enough is enough, and why a profitable opportunity may still be unfaithful.

> ***1.2. The Way Applied: The Assets That Never Appear on a Brokerage Statement***
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> List five assets that do not appear on your financial statement but materially affect your stewardship. Possibilities include wisdom, professional skill, health, reputation, a strong marriage, trusted friendships, church relationships, available time, or the ability to teach and encourage others.
>
> Then identify one neglected asset. A household may spend hours adjusting a portfolio while allowing a more valuable form of capital to erode. The exercise is not anti-financial. It is an attempt to see the whole balance sheet.

C. The Twin Investment Pillars: Valuation and Management

Capital must be understood, and it must be directed. Those are the Twin Investment Pillars of this book: valuation and management. They apply to physical capital, but they also reveal why metaphysical capital matters. Valuation requires judgment about what something is worth. Management requires judgment about what should be done with it.

The two pillars are distinct but inseparable. An investor may estimate value reasonably and still manage the position badly by concentrating too heavily, borrowing recklessly, ignoring taxes, or selling in panic. Another investor may follow excellent portfolio rules while purchasing assets at foolish prices. Faithful stewardship requires both.

C1. Financial Instrument Valuation: Price Is Easy; Value Is Hard

At the heart of finance lies a deceptively simple question: What is something worth? A market can display a price in a fraction of a second. Value is harder. Value is an argument about future benefits, time, risk, alternatives, and uncertainty.

A stock price tells you what buyers and sellers agreed upon at a particular moment. It does not tell you whether the business will earn enough to justify that price, whether management will allocate capital wisely, whether competition will erode profits, or whether the company's products and practices fit a Christian conscience. A bond yield does not explain whether the borrower will repay. A fund's recent return does not reveal whether its costs, holdings, benchmark, or process are suitable.

Valuation therefore begins with humility. The investor is not reading the future. The investor is making a reasoned estimate with incomplete information. Later chapters will explain the building blocks of value—cash flows, time, expectations, risk, and required return—without asking the reader to become a securities analyst. For now, the essential distinction is enough: price is observed; value is judged.

That judgment always rests on assumptions. A growth estimate assumes something about customers, competition, human creativity, and the durability of demand. A credit estimate assumes something about honesty, incentives, leverage, law, and the willingness to repay. A discount rate assumes something about time, risk, inflation, and alternatives. The arithmetic may be precise while the assumptions remain uncertain.

1.3. The Way Applied: Write the Hidden Assumptions Down

Choose one investment you own. Write down three assumptions supporting it: one about future cash flow or repayment, one about risk, and one about human behavior.

The purpose is not to predict perfectly. It is to expose what the spreadsheet is quietly assuming. Written assumptions can be questioned, updated, and tested. Hidden assumptions often masquerade as facts.

C2. Managing Investment Portfolios: You Already Manage a Portfolio

Everyone is an investment manager to some degree. We allocate time, attention, energy, skills, opportunities, relationships, and money. Even refusing to decide is a decision. Cash left unassigned still has a function. A retirement plan left in a default option is still a portfolio. An inherited stock held because selling feels disloyal is still being managed—though perhaps by emotion rather than policy.

Portfolio management asks a different question from valuation. Valuation asks, "What is this asset worth?" Management asks, "What role, if any, should this asset play in the whole?" A good business may be too expensive. A reasonable investment may be held in an unreasonable amount. A suitable fund may be placed in the wrong account. A worthwhile risk may still be unnecessary for a household that has already accumulated enough.

Management includes purpose, allocation, diversification, liquidity, cost, taxes, rebalancing, monitoring, and behavior. It also includes moral responsibility. The investor is not merely arranging return streams but directing entrusted capital toward particular companies, governments, activities, and future uses.

The Christian investor does not need omniscience to manage faithfully. The portfolio can be kept understandable. Accounts can have written purposes. Costs can be controlled. Holdings can be diversified. Rebalancing rules can be established before fear or enthusiasm arrives. The chapters ahead will turn these principles into a practical structure.

> ***1.4. The Way Applied: Every Dollar Is Looking for a Job***
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> Capital never remains truly idle. Cash provides liquidity and optionality but loses purchasing power over time. A bond lends. A stock owns. A fund delegates. Spending consumes. Giving transfers capital toward service.
>
> Ask of each account and major holding: What job is this performing? If the answer is unclear, the capital may be serving habit, fear, or clutter rather than a deliberate purpose.

D. Every Portfolio Answers to a Lord

D1. Ideas Have Antecedents
Ideas do not float into existence without a source. They arise from deeper beliefs about God, reality, truth, morality, human nature, and the good life. Those deeper beliefs are often called presuppositions: starting commitments that shape what we notice, trust, and conclude.

The familiar phrase “ideas have consequences” is true, but incomplete. Ideas also have antecedents. A portfolio strategy may look purely technical while resting on a view of the human person. Is the investor a rational calculator, a bundle of preferences, a worshiper, a sinner, an image bearer, or some combination? A forecast may rest on a view of history. Is the future mechanically predictable, radically uncertain, governed by providence, or open to human creativity and rebellion?

Genesis begins not with autonomous matter but with God. God speaks, creation responds, and purpose precedes the material result. John 1 identifies the eternal Word through whom all things were made. The biblical order is therefore not meaningless matter producing its own purpose. God gives reality its meaning, structure, and moral direction.

That foundation affects capital. If the world is God’s creation, then property is never absolutely autonomous. If people bear God’s image, they cannot be reduced to inputs, customers, or cash-flow sources. If human beings are fallen, trust must be joined with accountability. If God is providentially active, uncertainty is real but never ultimate. If Christ is Lord, return cannot be the final measure of success.

D2. Two Masters, Not Two Neutral Choices

> ***Matthew 6:19–24*** *19 “Do not lay up for yourselves treasures on earth, where moth and rust destroy and where thieves break in and steal, 20 but lay up for yourselves treasures in heaven, where neither moth nor rust destroys and where thieves do not break in and steal. 21 For where your treasure is, there your heart will be also. 22 “The eye is the lamp of the body. So, if your eye is healthy, your whole body will be full of light, 23 but if your eye is bad, your whole body will be full of darkness. If then the light in you is darkness, how great is the darkness! 24 “No one can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money.*

Jesus joins treasure, sight, and service. Where treasure is placed, the heart follows. What the eye treats as desirable affects the whole person. And no one can serve both God and money. The passage does not say money is useless. It says money is a terrible lord.

A portfolio always serves something. It may serve household provision, generosity, future flexibility, useful enterprise, and responsible care. It may also serve status, control, rivalry, fear, or the desire never to need anyone. Often the same account serves mixed motives. Christian stewardship begins not by pretending those motives are pure but by bringing them under the searching lordship of Christ.

This is one reason apparently neutral choices are rarely completely neutral. Holding excessive cash may express prudent reserves—or a refusal to trust that any future can be faced without total control. Taking risk may express productive courage—or envy of someone else's gains. Paying an adviser may express wise delegation—or a desire to outsource responsibility. The external action does not disclose the entire heart, but the heart always accompanies the action.

D3. How Beliefs Quietly Become Allocations

Beliefs become allocations through repeated decisions. What we think people are for affects which businesses we admire. What we think money is for affects how much we consume, save, give, and invest. What we think the future holds affects whether we act patiently or panic. What we believe about sin affects how we evaluate managers, incentives, leverage, marketing, and our own motives.

Two recurring truths will guide the rest of this book: God's Loving Abundance and Human Sinful Depravity. God gives life, order, gifts, work, creativity, common grace, and genuine possibilities for fruitfulness. At the same time, human beings distort good gifts through pride, greed, deception, envy, sloth, and the hunger for control. Christian investing requires hopeful realism—gratitude without naivety, caution without despair.

These truths keep the investor from two errors. The first is sentimental optimism: assuming that markets, managers, companies, or our own judgment are more trustworthy than they are. The second is paralyzing pessimism: treating a fallen world as if no useful work, honest exchange, wise company, or prudent investment were possible. Christian stewardship lives between those errors because it recognizes both creation's goodness and sin's damage.

1.5. The Way Applied: Every Portfolio Has a Theology

Review one account and ask four questions: What does this account assume will make life secure? What kinds of activity does it finance? What fears or hopes shape its allocation? What purpose will the capital serve if it grows?

The goal is not to discover a perfectly pure portfolio. It is to make the portfolio's governing beliefs visible enough to bring them under Scripture, prayer, evidence, and wise counsel.

E. A Christian Investor’s First Confidence

E1. Faithfulness Does Not Require Perfect Knowledge

At this point a reader may feel the burden increasing. If every portfolio has a theology, every assumption matters, every holding supports something, and every investor has mixed motives, perhaps the safest response is to do nothing. But doing nothing is not neutral either. Cash changes in purchasing power. Retirement dates approach. Dependents have needs. Opportunities to give and serve pass by. Avoiding all decisions is simply another way of managing.

The Christian standard is faithfulness, not omniscience. God does not ask investors to know the future, identify every hidden corporate failure, select the best-performing fund, or eliminate all moral complexity from economic life. He calls stewards to act with wisdom, diligence, humility, honesty, love of neighbor, and a clear conscience.

This distinction should produce confidence rather than anxiety. You can make a reasonable decision without claiming certainty. You can use a diversified fund without endorsing every action of every company. You can revise a judgment when facts change. You can seek advice without treating the adviser as a prophet. You can admit limits without surrendering responsibility.

Faithfulness also allows for Christian liberty. Serious believers may draw some investment lines differently because information is imperfect, products are complex, and consciences are not identical. The answer is not moral indifference. It is disciplined discernment joined with humility toward others and accountability before the Lord.

E2. Simple Discipline Can Be Wiser Than Constant Activity

Markets reward attention unevenly and activity even less reliably. The financial industry has many reasons to make investors feel that more products, more forecasts, more trades, and more commentary are signs of sophistication. Sometimes they are signs of complexity with excellent marketing.

A faithful household often needs something simpler: clear account purposes, adequate reserves, reasonable diversification, low costs, prudent moral criteria, a written allocation, periodic rebalancing, and patience. Simplicity is not laziness when it is the result of disciplined thought. It can be a form of humility and risk control.

The point of this book is not to turn every Christian into a securities analyst. It is to help a thoughtful retail investor ask better questions, understand the major decisions, establish sound rules, and know when outside help is useful. Competence need not become obsession. Stewardship should support life and service, not consume them.

The first confidence, then, is not confidence in a forecast, a fund, an adviser, or oneself. It is confidence that God has given enough truth, ordinary wisdom, community, and practical tools to act faithfully without possessing perfect information. The investor can proceed—not carelessly, but calmly.

Making the Connection: Sketch Your Capital Purpose Statement

This chapter begins before the first trade by showing that every portfolio has a theology. Psalm 1 presents two ways, capital includes both physical and metaphysical assets, and faithful investing requires both valuation and management. Because every portfolio ultimately serves a lord, the Christian investor's first task is not to find the winning fund but to clarify the purpose of entrusted capital under Christ. That purpose can now be stated plainly enough to guide the decisions that follow.

Practical Takeaways

This chapter has established four foundations. First, there are two ways before there are two returns. Investing is part of a life directed either toward God or away from him. Second, capital is more than money. Physical capital is measurable and useful, but metaphysical capital—wisdom, character, trust, skill, contentment, and faithfulness—often determines what physical capital becomes. Third, valuation and management are the Twin Investment Pillars. We must reason about worth and direct resources within a whole. Fourth, every portfolio answers to a lord. The portfolio may serve Christ through stewardship, or it may quietly serve fear, pride, status, or control.

These foundations do not provide a list of funds to buy. They provide something prior: a purpose strong enough to govern later decisions. Without purpose, technique becomes restless. With purpose, later questions about risk, fees, BRI, valuation, diversification, and rebalancing can be answered within a coherent Christian framework.

Brief Case: Wisdom Is Capital Job 28

> ***Job 28:12, 28*** *[12] "But where shall wisdom be found? And where is the place of understanding? … [28] And he said to man, 'Behold, the fear of the Lord, that is wisdom, and to turn away from evil is understanding.'"*

Modern society has unprecedented access to information. During one commute a person can listen to a Nobel Prize winner, a hedge-fund manager, and someone explaining why the moon landing was staged. Access to information, however, is not the same as wisdom.

Job 28 begins with human ingenuity. People mine silver and gold, tunnel into darkness, overturn mountains, redirect streams, and bring hidden treasures to light. The imagery is ancient, but the impulse is familiar. Replace mining shafts with research laboratories, trading floors, data centers, private-equity firms, or technology campuses, and the pattern remains: human beings are remarkably creative in the pursuit of physical capital.

Then the chapter asks, "But where shall wisdom be found?" People can locate ore buried beneath mountains while remaining unable to locate the wisdom needed to use wealth well. Silver cannot purchase it. Gold cannot be weighed against it. Wisdom is not another commodity within the market because it judges the purposes for which commodities are sought.

Job 28:28 gives the answer: the fear of the Lord is wisdom, and turning from evil is understanding. Wisdom begins with right relation to God. It puts technical skill beneath worship, morality, humility, and obedience. It teaches the investor that a profitable decision can still be foolish, that a temporary loss can accompany faithfulness, and that a growing account is not the same thing as a growing soul.

Wisdom is capital because wisdom teaches us what capital is for. It helps preserve physical resources, but its value is greater than preservation. It directs temporary wealth toward faithful ends.

Put It into Practice: Draft the Statement

Before continuing to the next chapter, draft a short capital purpose statement. One page is enough. The statement is not a legal document, a full investment policy statement, or a promise that every future decision will be easy. It is a governing declaration that can be revisited when markets rise, fall, or become unusually noisy.

Address the following four questions:

- Whose capital am I managing? Begin with God's ownership and your role as a steward.
- What forms of capital have been entrusted to me? Include financial assets, time, abilities, relationships, experience, reputation, and opportunities.
- What purposes should this capital serve? Consider household provision, generosity, useful work, future flexibility, church and community, and the next generation.
- What will faithful success mean? Include moral clarity, reasonable prudence, contentment, disciplined action, and the willingness to obey even when a decision does not maximize short-term return.

A working statement might begin: "We manage capital entrusted by God to provide responsibly, give generously, support useful and morally responsible work, preserve flexibility for future service, and act with wisdom, humility, and contentment under uncertainty." The wording can change. The lordship cannot.

The Way Ahead: Capital Entrusted by God

Every portfolio has a theology, but theology alone does not tell us whose assets are being managed. If God is Creator and Lord, then the investor's first role is not owner but steward. Chapter 2 turns from the beliefs beneath the portfolio to the Owner above it—and to Abraham, Lot, Solomon, and Job, whose stories reveal how capital can be received, misread, surrendered, and used under providence.