How to Become Healthy, Wealthy & Wise

Fame, of sorts, came early to Hadi Ilam.

In 2012, the Australian Broadcasting Corporation made Hadi the focal point of one of its television news pieces. Hadi was just 8 years old and lived in a small village in Indonesia. He had already been smoking regularly for four years.

As for why he smoked, Hadi said, “I’m just wanting cigarettes—just wanting them.” At first, his parents tried to stop Hadi’s smoking by cutting off his pocket money. He began stealing to fund his habit, including food from his own family.

“When we didn’t give him money, and he found rice at home, he’d go selling the rice,” Hadi’s father said. “Anything he could steal in the house, he would sell.” Hadi’s parents’ efforts to discipline their son away from smoking were equally unsuccessful—they were simply no match for his nicotine craving.

Eventually an Indonesian children’s charity learned about Hadi and his addiction. They arranged for him to join a treatment program in Jakarta. After a month in rehab, Hadi was released. But the pull of addiction was too strong.

Before long, Hadi ran away from home, leaving his parents devastated. It was three weeks before he was found trying to steal from a mosque donation box 300 km away.

It would be comforting if Hadi’s celebrity came about because his story was so unusual. Unfortunately, it’s just the opposite. Throughout the past 10 years, the number of children smoking in Indonesia has tripled to 21 million, and the average starting age for smoking has dropped from 19 to just

7.

It would also be less discomforting if Hadi’s addiction had nothing to do with you and me. But once again, it’s just the opposite. Americans, including many Christians, are investing in—sometimes inadvertently—and profiting from the very tobacco companies that target children such as Hadi.

Unfortunately, when we fail to pay appropriate attention to the moral legitimacy of our investments, we not only put children’s health at risk, we also risk our financial and spiritual health as well. God has designed a better way.

Big Tobacco’s Overseas Targets

So what’s going on here? With smoking rates in the developed world continuing to drop, especially among children (U.S. childhood smoking being half what it was 20 years ago), why is the situation so different in Indonesia and elsewhere in the developing world? It turns out these two phenomena are deeply connected. Facing greater restrictions in the U.S. and other industrialized nations, tobacco companies dramatically stepped up their marketing efforts in developing countries.

Indonesia, now the world’s fastest growing cigarette market, represents something of a poster child. Cigarette advertising is absolutely everywhere in Indonesia—television, newspapers, magazines, even plastered on trees lining the roads. Moreover, tobacco companies sponsor almost all of the country’s concerts and sports events—at which cigarettes are routinely given away for free, including to children. The situation is not markedly better in many other Asian countries.

The result, according to professor Michael Daube, an adviser to the World Health Organization, is a “tobacco holocaust” in poor nations, especially in Asia. “This is an industry absolutely without a moral radar. They are just willfully imposing a pandemic on developing countries,” Daube says. “This is going to cause far more deaths than any wars we’ve ever seen.”

In fact, cigarettes now kill more people than alcohol, AIDS, car accidents, illegal drugs, murders and suicide combined. As a result, global smoking deaths are expected to total 1 billion over the course of this century, up from 100 million during the 20th century. The large majority of these deaths will be in developing countries.

Sin Stocks for College

This all makes it especially shocking that many American parents who do everything they can to keep their own children from smoking are simultaneously helping tobacco companies foist their deadly products on millions of children across the globe. In fact, it’s American parents’ efforts to bring about a good life for their own children that help put children like Hadi Ilam at risk.

One of the most popular mechanisms by which American parents, Christians included, fund their children’s college education is through what are referred to as 529 savings plans. These plans allow parents to make contributions into designated mutual funds that grow tax free and are tapped to pay for their children’s college costs.

But here’s what few parents know—the biggest owners of tobacco company equities are 529 plan mutual funds, which means many American parents are funding their own children’s futures at direct cost to the futures of children throughout the developing world. Recognizing this fact would, no doubt, leave many of these parents—and their children—absolutely aghast.

Until recently, Christians studiously shunned investing in tobacco companies and other “sin stocks” such as gambling, pornography, abortion and the like. They knew these companies’ products ran counter to their deeply held spiritual and moral beliefs and that it would be wrong, therefore, to profit from products that so egregiously violated their convictions.

Unfortunately, mutual funds changed all that. Most individual investors bought—hook, line and sinker—the funds' implicit pitch: "Investing is challenging. Let the professionals do it for you." Today, few individuals invest directly. Instead, the vast majority do their investing through mutual funds. That's not surprising, since the fund managers are right—investing is challenging. But there has been a large and hidden consequence to all of this.

Most Christians, and many others as well, continue to believe that their investments should align with their spiritual and ethical principles. But because they pay little, if any, attention to the actual holdings of their mutual funds, a great many investors routinely profit from companies whose products and practices directly contradict their deepest beliefs. This is no small matter, especially since many of these companies operate in direct opposition to God's good work in the world.

A Better Way

Fortunately, there is a better way—an approach to investing that is both morally admirable and financially wise. Business fulfills the "Love your neighbor" royal law of Scripture (James 2:8) by creating value for its several "neighbors"—its customers, employees, suppliers and so on. Companies that do this well enlarge human flourishing and fulfill God's intent for business.

In turn, fostering such companies fulfills God's intent for investing. Fortunately, the past couple of decades have seen a proliferation of mutual funds explicitly designed for Christian and other ethical investors. They offer the traditional benefits of mutual funds—diversification and professional management—combined with a focus on ethical and biblically aligned investing.

These funds invest in companies whose products and practices enlarge human flourishing and avoid companies—such as the tobacco industry—that sow blight rather than blessing. As a result, investors can benefit from mutual fund investing without needing to settle for a portfolio that, when assessed spiritually, is unsavory and unhealthy.

There’s more good news. God has created a moral universe in which, generally and over time, righteous behavior is rewarded and unrighteous behavior reproved. Galatians 6:7 tells us that we “reap what we sow,” which means that companies that fulfill God’s “business for blessing” intent tend to prosper sustainably, whereas whatever success comes to companies that are exploitative tends to be temporary. The same goes for the “success” of their investors.

The best thing people can do for the financial health of their investments is to pay especially close attention to their spiritual health. In God’s good universe, investing in businesses that prosper others is the investing that truly prospers.

Tim Weinhold *is director of Faith and Business for Eventide Funds, an award-winning, biblical values-based family of mutual funds.*

Bob Katz shares some investment tips from King Solomon on the Christian Broadcast Network at *.*