

There is a wealth of opportunity for Catholics looking to put their money where their faith is.

TIM CARNAHAN

Ray Boshara fondly remembers his grandmother washing and re-using plastic sandwich baggies. Her frugality has inspired him to champion a new era of thrift and stewardship for America.

His timing couldn't be better. The troubled economy has led many Americans to trim the fat and contemplate the larger role money plays in their lives. To Boshara, vice president and senior research fellow at the New American Foundation, this is an opportunity for spiritual growth. "The recession has forced us to think about resources, and there is a moral and spiritual element to how we manage our resources on earth," he says.

In light of the downturn, Boshara, who has advised Presidents Clinton, George W. Bush, and Obama, has called for a rejuvenation of ideals held by early 20th-century progressives. He says Americans should recalibrate their economic focus away from consuming material goods and toward entrepreneurship, stewardship, and thrift.

Excess should be identified and cut, he says, and practicing what he preaches, this meant he had to grapple with the time, money, and energy he spent on music. His love of music led him to purchase pricey recording equipment and a bigger home to house his extensive collection of records and CDs, and it caused him to devote large amounts of time researching music. "The original progressives considered wasting time a poor use

of the time God has granted us on earth," Boshara says.

He's found different, less costly ways to enjoy what he loves. Boshara says he listens to the radio more often, and by investing in an MP3 player he's minimized the desire to purchase more expensive hardware.

Cutting back should be an easy task for most Americans. Studies indicate that as the 20th century has progressed, Americans have had more disposable income. While households in 1901 spent nearly 80 percent of their earnings on essential goods, by 1950 that number dropped to around 70

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percent, and in 2003 only about half of a household's income was used to purchase necessities.

By slowing their spending, consumers could better study the money spent and its role in their spiritual health, according to Father Seamus Finn, O.M.I., who represents his order at the Interfaith Center on Corporate Responsibility. How money is spent, attained, and invested is directly tied to the spender's spirit and faith, he says.

"Our faith teaches us very clearly that what we do in terms of work and our extensions of ourselves reflects on us and the ways we interact with the world and the way we interact with other human beings," Finn says. "It is important in order to live a full, faithful life that all those things are aligned to what we believe."

Pope Benedict XVI has noted that Catholic social teaching includes financial relationships. In his 2009 encyclical, *Caritas in Veritate*, he writes, "The church's social doctrine holds that authentically human social relationships of friendship, solidarity, and reciprocity can also be conducted within economic activity, and not only outside it or 'after' it. The economic sphere is neither ethically neutral nor inherently inhuman and opposed to society. It is part and parcel of human activity and precisely because it is human, it must be structured and governed in an ethical manner."

Finn states it more simply. "Money is spirit-activated and entrusted to another." Whether spending, investing, or giving, the actions associated with money are rife with spiritual ramifications, but resources and guidance exist to help the busy Catholic stay on the straight and narrow.

Living in a material world

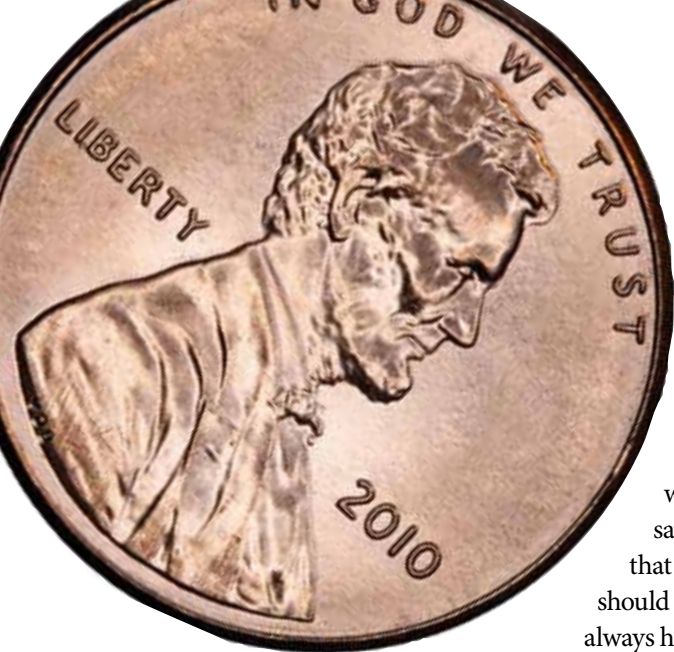
Often, aligning spending with spiritual values is a negative undertaking, directed by boycotts, whether because a company has ties to Planned Parenthood or doesn't pay a living wage.

However, church teaching and tradition suggest that the purchase of material goods is not opposed to building spiritual harmony. "It is not wealth itself that is evil but the inner attitude (greed or avarice) and the outer behavior (selfishness, lack of almsgiving, hoarding, wastefulness) associated with wealth that are problematic," said Father Ken Himes, O.F.M., a professor at Boston College, in a 2002 speech about early church teachings on wealth. "Material things are good because they are made by God and are meant to be shared with all."

Kathy McGourty's family in Arlington Heights, Illinois exemplifies this trait. McGourty, a stay-at-home parent, and her family have survived the loss of her husband's job, the downturn in the housing market, and the economic recession without having to cut a family vacation or the large number of donations they make yearly.

She points to her family's resistance to chasing material wealth as a reason they weathered the storm. "We're an average Catholic family, but we're a family that's aware that we're not the center of the world," McGourty says. "Everything that comes to us doesn't come to us because we're owed it, it's a gift."

During the housing bubble McGourty and her husband resisted the temptation to sell the three-bedroom ranch home



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they share with their four kids. “We didn’t build on, we didn’t expand,” McGourty says. “It was a conscious choice; it’s just the way we live.”

The principle of stewardship is often used to describe issues of environmental protection, but it can also guide financial decisions. The practice of stewardship involves ensuring that material wealth is not squandered or wasted, but is used in a moral way.

The concept traces back to St. Thomas Aquinas and was articulated in 1891 by Pope Leo XIII in his foundational social encyclical, *Rerum Novarum*, in which he acknowledged the need for wealth and property to create a stable society and meet necessities. But Leo emphasized that material possessions and wealth should not be considered as something to be owned, but as a gift from God.

Financial stewardship can be especially tricky for American Catholics and has been a topic of debate for nearly a century. In the 1920s Msgr. John Ryan warned American Catholics that the country’s culture of commerce and consumerism could transform material wants into perceived needs. Nearly 90 years later, as foreclosure rates surged to record highs, Ryan’s message took on renewed meaning.

“We live in a culture of abundance; it is a very consumer-driven society as

we see in this recession,” Himes says. “It’s easy to be convinced that we should buy more and we should get more things and we should always have a new and improved version of some thing.”

Himes believes that frugality is the key to battling a culture that rewards mindless consumption. “Frugality is the virtue to stop and take stock and ask ourselves, ‘Do I really need this?’ ‘Why do I want this?’” he says. “It’s a call for being a responsible consumer; it’s not frugality as cheapness, but it’s frugality that means mindfulness.”

A 48-inch flat-screen, high-definition TV might not be a necessity. However, financial stewardship and frugality in action do not mean an abandonment of material possessions in favor of the ascetic life. “There is nothing wrong with people enjoying a nice meal, or a nice suit of clothes,” Himes says. “We don’t have to be walking around in sackcloth and ashes. It is a sense, though, that if we really do appreciate worldly goods, we put them in the context that they are goods that will enrich others.”

A new kind of tith

When it comes to donating money, Christians have the tradition of tithing, giving 10 percent of one’s income to the church and charities. But just what constitutes tithing is up for debate.

For Jerry Scanlan, tithing is woven into the fabric of Catholic life. It’s an investment in the church’s future, and it isn’t just about money but about all

of the finite resources a person contributes to the church. “I don’t [say], here’s my income, take 10 percent,” Scanlan says. “I also give my time, talent, and treasure.”

Tithing guidelines allow for modifications during tight budgetary times, Scanlan argues, like sending kids through college. “With tithing theory, money you’re spending to send your kid to a Catholic college counts toward your obligation.”

Scanlan also doesn’t limit his giving strictly to the Catholic Church, directing an equal amount of fiscal support to other charitable interests.

Himes says the obligation to engage in regular charitable giving, or almsgiving, is clearly outlined in the Christian tradition. “Any reading of the Christian tradition indicates that almsgiving was always seen as a hallmark of Christians, because it is a sign that people recognize their links to others in community,” he says.

While the obligation is clear, social interests can influence charitable giving. Himes notes that people underestimate their surplus earnings that could be donated. When they do donate, many choose beneficiaries with self-interest in mind. Himes points to studies on philanthropy that suggest that wealthy people tend to give to organizations that tend to benefit other wealthy people, such as universities, orchestras, or museums. True charity is giving without self-interest.

“Do I really take a hard look at what am I giving to?” Himes asks. “Am

I giving to things that openly support or assist me, or am I giving in a way that is not the least self-interested?"

John Chuchman also struggled with those issues. For decades he donated money to his parish every week. Then in 1992, after 32 years as an executive at Ford, he started volunteering his time assisting people with relatives in hospice. "To my amazement, I was a help to men who had lost someone," Chuchman says. This experience also led to an epiphany about his weekly donations. "I gave, and it wasn't really out of a sense of love," Chuchman says. "It was out of a sense of obligation."

He discovered that true giving transcends the purely financial and embraced selfless giving. Now he donates his time and energy comforting grieving families and giving workshops to other hospice workers. He pursued and received a master's degree in pastoral ministry.

Where does it all go?

Many people wonder how donated money is being used: What does their money actually support?

Chuchman tackles this issue head-on by giving money directly to charitable organizations as opposed to church-driven funds that broker the donations. "I don't need the middle man," Chuchman says. "I research my charities and look at the evaluations and look at the percentage of money going directly to charity."

When Carolyn Peters was moved by the bleak economic circumstances of a fellow parishioner, she started giving in a way that has an immediate impact. She houses Catholics in Milwaukee who have been displaced by job loss or foreclosure and gives them the chance to be homeowners again. "I am doing a rent-to-own program," Peters says. "They pay each month what they can afford, and after a few years I will

title the house in their name."

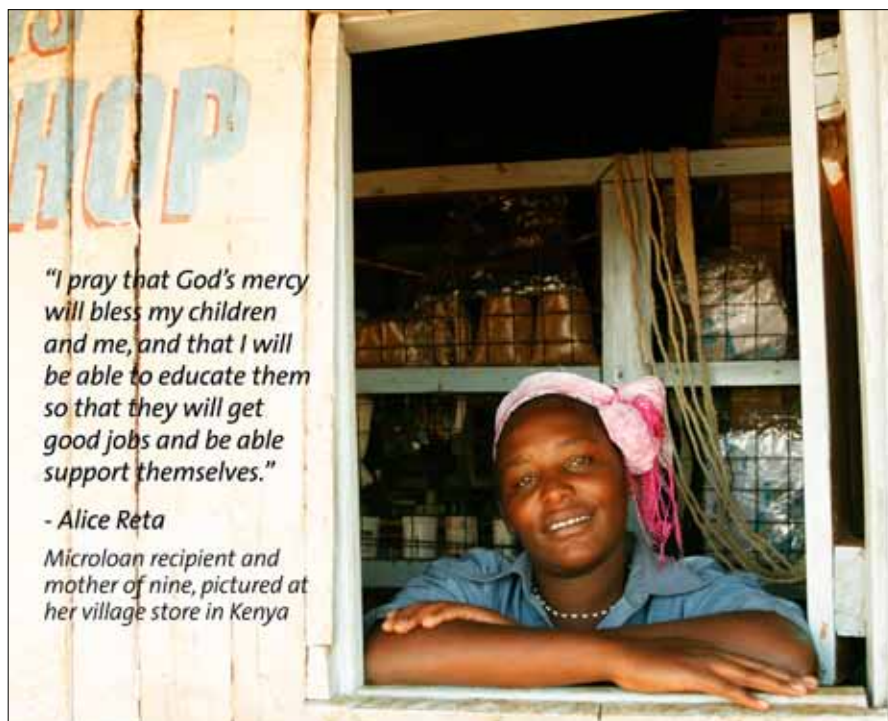
Of course, not everyone has the means to donate so directly, or the time to thoroughly vet every potential charity. Luckily, websites such as *Donorschoose.org* and *SmallCanBeBig.org* can help donors target their dollars to specific projects, such as a child's education by funding classroom projects, or donating directly to families on the verge of homelessness. These sites prove that even small amounts of

money can enhance community on both a local and global scale.

Investment matters

Not all money needs to be given away; even the ways that Catholics save and invest their money matters. The challenge for many Catholics is how to ethically direct their dollars.

One option is to go local. Community banking has recently enjoyed



"I pray that God's mercy will bless my children and me, and that I will be able to educate them so that they will get good jobs and be able support themselves."

- Alice Reta

Microloan recipient and mother of nine, pictured at her village store in Kenya

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a boost as people respond to the bad business practices of large corporate banks by taking their money to small community banks or credit unions. These institutions can encourage financial stewardship because many invest in local businesses.

Of course, the community affected by such small-scale banking does not need to be your own. Micro-financing organizations such as Kiva or Opportunity International empower individuals to become micro-lenders to entrepreneurs in the developing world.

Faith-based investing is not a new idea but has steadily gained momentum. In 2003 the U.S. Conference of Catholic Bishops integrated financial stewardship into criteria to guide socially responsible investing. The criteria acknowledge the link between morality, the products in the marketplace, and the companies that make those products, and it outlines marketplace activities that would cause the USCCB to divest.

Social and moral issues that guide the investment policies include protecting human life, protecting human dignity, reducing arms production, pursuing economic justice, and protecting the environment.

Firms also help individual Catholics invest in mutual funds with certain criteria. The Epiphany Fund, for example, was created in 2007 by Trinity Fiduciary Partners. They adapted and modified the USCCB criteria to guide investment choices for their firm and then quantified the figures to build more rigidity into the process.

“We wanted it to be very straightforward, defined, and objective,” Gina Ehrlich, director of marketing and

research at Trinity Fiduciary, says. “Everything is a yes or no answer. There are no gray areas.”

Trinity’s scorecard excludes enterprises for failing faith-aligned criteria but also actively rewards companies for doing work aligned with Catholic values. So while producers of contraceptives and pornography are excluded, companies that enhance the lives of their workers by providing a greater than 6 percent employer 401(k) match, or who show up on *Fortune’s* annual list of the Top 100 Companies to Work For would receive positive evaluations.

Investing for Catholics (IFC) takes their fund a step further by applying the Catholic-values filter to the investment process itself. Active investing is the strategy of trying to pick stocks and time the market for the most profit, but IFC president Mark Hebner says this isn’t aligned with Catholic values. “One of the categories that are filtered out of Catholic-values investments is any revenue from a business that has gambling activity,” he says. “An actively managed portfolio is gambling.”

IFC opts for passively invested funds, which studies have shown to be just as profitable as actively invested funds. Hebner points out that the performance of his firms’ funds matches or slightly exceeds similar traditional portfolios.

When Kathy McGourty’s husband lost his job as a steel salesman, they reinvested his retirement in Calvert Funds, a secular firm also focused on investing in socially balanced funds. They were pleased with the fund’s performance during the downturn. “They were affected, but they were not as volatile,” McGourty says.

Good money

The bottom line is that while there might be less money to go around, the options to use money to express our beliefs don’t necessarily mean more financial sacrifice.

“We often talk about literacy of different kinds, but when you get into financial literacy people think of mathematics and formulas and numbers, and a lot of people have an aversion to that,” Finn says. “It seems to me that one of the gifts we’ve been given in recent years is that there is a lot more information out there and more organizations and institutions that can help us.”

As Pope Benedict XVI explained in *Caritas in Veritate*, financial activity is not an apolitical, valueless machine for the creation of wealth. How Catholics save, spend, and invest their money matters, and the spiritual ramifications go beyond their financial contributions to their religious organizations.

Though challenging, focusing on frugality, thrift, and financial stewardship can yield rewards that cross generations. Boshara has seen positive results in his own family. “I have a coherent and morally grounded way of teaching my kids about conservation and stewardship in so many aspects of my life,” Boshara says. “It encourages them to give back to the world more and take from the world less.”

The final goal is to attune financial habits so social justice and stewardship become linked to our dollars, whether saved, spent, or invested.

“We can be the people we are and live our lives and do it in such a way that we’re not anxious [about hurting] people along the way, but rather that we are making a positive contribution to our fellow citizens,” Finn says. “We are called to live our lives... in a consistency with what the gospel is calling us to do.” **USC**