



YOU AND YOUR MONEY

LIFESTYLE

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WHY?

As Christians, we need to ask questions about how our money is being used. You may not think you have much money, so it won't apply to you. You may perceive it's really about 'investments', which only the wealthy have, or you don't really understand.

In fact, most of us do 'purchase' quite a few financial products and we can ask ethical questions, just as we do when we are buying our Fairtrade bananas. Bank accounts, insurance policies, pensions, student loans and mortgages are all financial products.

In 'putting our money where our mouth is' we can encourage good practices and 'divest' (or dis-invest) from companies who don't share our values.

HOW?

WHAT ARE YOUR VALUES?

The first thing to decide is what constitutes 'ethical' for you. If you know your values, you can then ask appropriate questions of potential and current financial suppliers – whether they are your bank, insurance company or pension provider.

Connect your faith with your money. Where is your treasure? Are you able to be generous? Can you spend wisely? Use the ECCR (the Ecumenical Council for Corporate Responsibility) Bible study to explore the ethical issues around money: <https://www.eccr.org.uk/money-makes-change-bible-study/>



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Many financial institutions are both big employers and big investors of cash. The way such companies behave should be as important to them as where they are putting the money under their stewardship. Some real questions to answer might be:

- Is it important to you how your bank treats its employees, how they support people on low incomes or the percentage of women on the board, even if this means a slightly lower return on your investment?
- Do you mind what your pension is invested in, provided your money is secure and will give you income in your retirement?
- Would a higher premium put you off an insurance company which has climate change and human rights high on the agenda?

WHERE IS YOUR MONEY NOW?

It's not always easy finding out information about the ethics of financial institutions. You can ask questions of your own providers and search for reviews online. 'Good with Money' recommends some ethical choices: <https://good-with-money.com/category/good-lists/>

In the 2020's, the major ethical investment question is climate change. Make your money work for a sustainable future by divesting from fossil fuels and investing in renewables.

Banks publish ethical policies on their websites. Take a look to see whether anything is said about the values important to you. For example, some banks might be keen to tell you about their workplace ethics but may be silent on how they deal with weapons manufacturers.

Some good questions to ask your bank are provided by 'Your Faith, Your Finance': <http://www.yourfaithyourfinance.org/banking/questions-to-ask-your-bank/>

Bank Green and SwitchIt indicate if your bank is investing in fossil fuels: <https://bank.green/>

<https://switchit.money/>



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'Which?' explains how to switch banks. Do this to divest from fossil fuels and support a bank which invests in renewables: <https://www.which.co.uk/money/banking/switching-your-bank/how-to-switch-your-bank-account-a3xmb4z4z97t>

Pensions can feel complicated. In essence a pension is a pot of money being invested by someone else on your behalf to ensure you get money for your retirement. 'Which?' has a simple guide to understanding pensions: <https://www.which.co.uk/money/pensions-and-retirement/starting-to-plan-your-retirement/how-pensions-work-aqr26c5wxh1>

Your pension will be invested in a mix of funds to spread the risk, aiming to create a better pension income for you in your retirement. Your provider will be able to tell you the name of the funds your pension pot is in, and what companies or sectors those funds are invested in. Depending on your type of pension, you may have choices over which funds you can choose. Request information about your options. Ask about the ethical composition and financial performance of the different funds you can opt for.

Other financial products or information about mortgages, insurance providers, ISAs and other financial products, ask questions of your provider. Research ethical companies on the internet and investigate the opinions of reviewers such as Good With Money and Ethical Consumer (although most information at Ethical Consumer is only available to subscribers): <https://good-with-money.com/>

<https://www.ethicalconsumer.org/>

TAKE ACTION ON PENSIONS

There seems little point building a financially healthy pension fund, if the world will not be one that is easy to live in when the pension is required. Make the future sustainable by making sure your money is going to something which invests in the future of the world, not just the future of your pension.



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Explore how to use your pension for good in this webinar by ECCR: <https://www.eccr.org.uk/event/restoring-hope-pension-power-with-shareaction-26-oct-2020/>

'Make My Money Matter' co-founded by Richard Curtis is specifically aimed at encouraging pension funds to use the monies they invest to help achieve the 17 Sustainable Development Goals set by the UN in 2015. You can help by joining their campaign: <https://makemymoneymatter.co.uk/>

STOCK MARKET INVESTMENTS

Deciding which investment funds to use is tricky as 'ethical' means different things to different fund managers. There is no 'ethical stock market' to easily guide those decisions. Know your values, find out current options on funds composition and decide where you feel most comfortable investing.

Hargreaves Lansdown, an online platform where investors can buy and sell investment funds, shares or ISAs has produced a helpful 'Guide to Responsible Investment'. This shows the routes different funds take. Some are invested in actively ethical companies with strong sustainability or impact, others invest widely but screen to exclude certain investments such as tobacco or armaments: <https://www.hl.co.uk/beginners-guides/responsible-investment>

Ethical Consumer rates key ethical funds on carbon footprint, transparency and returns. A subscription to the magazine is needed to access this information. In summer 2021, WHEB and Triodos Bank came top of their table. Both companies focus exclusively on positive and sustainable investing and neither invest in the fossil fuel sector: <https://www.ethicalconsumer.org/>

Protect yourself from fraud by ensuring any firm you deal with is registered with the Financial Conduct Authority. Some unregulated companies appear to be targeting the ethical market: <https://www.fca.org.uk/news/warnings/ethical-fixed-rate-bonds>



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LONGER READS & OTHER RESOURCES

Find out more about the five pension 'master trusts' and read more about how pensions work by reading 'The Good Guide to Pensions' by 'Good with Money': <https://good-with-money.com/wp-content/uploads/2019/08/The-Good-Guide-to-Pensions-2019-FINAL1.pdf>

ECCR resource bank 'Money Makes Change' has prayers, bible studies (including one for families), an interactive workshop for small groups and several ideas for action: <https://www.eccr.org.uk/money-makes-change/>

Think about 'Wealth and Poverty in the Bible' using the 'Your Faith, Your Finance' Bible study: <http://www.yourfaithyourfinance.org/money-and-faith/wealth-and-poverty-in-the-bible/>