Editorial: Pelf Versus Self, Or Does It?
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Money. People pursue it with a creative enthusiasm (some might say a rampant cupidity) that boggles the mind. Billions of people scurry about amassing it, investing it, stealing it, creating it, discussing it, worrying about it and imploring God for their fair share. Not too much, just enough to get along. OK, maybe enough to buy a modest condo, a Power PC with 256 megabytes of RAM and a ticket to Banares. "It's not for me, God. It's to make me better able to help others. Really." Really! The old stereotype of India's being the poorest nation on Earth is fast becoming an anachronism. China and India are suddenly perceived as Asia's newest financial tigers, about to eclipse Korea, Singapore, Malaysia and even Japan. Once the wealthiest country in the world, finally, after a thousand years of foreign invasion and only 47 years of independence, India is returning to her inherent strength. Of course, Hinduism has never looked unkindly upon the accumulation of assets. As we said in last October's reflections on what real wealth is (it's not money), one of the four goals in life set before every Hindu is the accumulation of wealth. It is not considered a spiritual hindrance, but the natural abundance of a divine universe in which we all share. Pelf-money-is not the enemy of Self. Even for spiritually-based enterprises, money does matter. Without it, efforts to promote dharma can prove unavailing, families can suffer, countries can crumble. It is imperative that all of us involved with dharma worldwide plan more strategically about money. Parents must conquer money to sustain their family. Businessmen must do so to assure the viability of their product or service, and institutional leaders must do so for the success of their group and its work. Unless they have opted for a reclusive life, even holy men and women must be heads-up about money, so all under their guidance will be freed from the spirit-quashing behemoth called poverty. Dave Del Dotto says in his bestseller How to Make Nothing But Money, "There are only three ways the average, honest person can acquire money. One is to work for it. The second is to accept handouts: welfare, unemployment or an allowance from relatives. The third is to let your money earn more for you." Everyone knows the usual ways. Invest in the right stock at the right time. Run a successful business. Buy something low and sell high-real estate and auctions are Dotto's choices. In Asia all these methods are known and used-along with a dozen dollar-detaining devices that might daze even Dotto. But the most reliable, the most conservative way that wealth is built is by endowment. It requires patience and little else. It is a fool-proof, safe, perspiration-free, no-brainer way to make money. As prevalent as it is in banks and the homes of the rich, it is hardly discussed elsewhere. Mr. Dotto makes no mention of it. Why? Because people nowadays are after fast money, and endowments, while prudent and permanent, are not fast. They build wealth. They sustain wealth. They pass wealth on to the next generation. Assets grow. Slowly. Inexorably. If you ever wanted to make more money, if you ever wanted enough to give a bundle to your favorite temple, to donate a small fortune to your spiritual teacher and smile at the wolf at the door, read on. In any Indian village, Chettiars and other vaishyas know the secret of wealth-building. If you give them Rs.10,000, they don't go out and buy something. They invest it, then spend the interest. Even when affluent, they live frugally, conserving for others' future. They might buy a cash cow, the mooing and milking variety, which can be gifted to a son at marriage to provide sustenance to a young couple. Or they might invest in a child's education, knowing one "Malay pensioner" in the family can support all his kin later in life. Even village laborers who receive windfalls don't go on spending sprees. They buy gold and wear it or bury it in the backyard, distrustful of banks. Every farmer at his plow prays his field may yield up some long-forgotten stash of gold, and stories abound of such discoveries. You can see where this is going. Rather than spending wealth, hold on to it, and let it create more wealth for you. It does require discipline, patience and a commitment more to long-term financial stability than short-term progress. It may mean not buying a used Peugot early in life so you can have a new Mercedez later, along with the money. Imagine, for example, that you want to endow your grandchildren, pass on to them a beginning in life. If you put $1000 into the bank at 8% interest when you are 25 years old, your grandchild will have $100,000 when you are 85 and he or she is a young adult! Not a bad gift. Try it. The application of this principle takes on awesome proportions as the time frame expands. Let us say you have always been inspired by a special institution, temple or spiritual group. You are far-seeing and want its efforts to last 500 years for the benefit of seekers born in the next millenium. What can you do? Take that same $1000 and invest it today in an irrevocable endowment. Let the interest compound. After 100 years, your gift will be worth $2,200,000. Unbelievable? Ask an accountant. After two centuries (not long in the cosmic scheme of things), that grows into billions-$4,838,950,000 to be exact! Enough to do something important. At 500 years, the fund is a mountainous $51,508,362,501,289,200,000 (51 million billions). That's an extreme, admittedly ludicrous, example, but it demonstrates the power of the endowment principle over time. Let's explore a more practical instance. You are an extended family head or institutional director upon whom people depend to provide a secure future. Instead of constantly scuffling with monthly budgets, cutting back when income is low, struggling to acquire donations or sell your latest books, work from the beginning to establish a fund to sustain everything. Here's how it works. A yoga ashram runs on $10,000 a month. Typically such groups hold seminars, charge for resident programs, sell publications and other items on a bookshelf or through a mail-order catalog. To this are added occasional building-fund efforts and donations from an all-too-small group of generous souls. When unexpected funds come in, there is a tendency to use them-paint the buildings, pay old bills, replace the aging van. No wealth-building. Just spending what comes. An endowment approach would be to forego all unnecessary expenditures. Discipline desire and invest all funds. Be ruthless. Cut the monthly budget to $8,000 and put the $2,000 difference into an ashram endowment. Maybe someone gives a parcel of land to the ashram for "anything you want." Don't get excited and expand. Sell the land, and put another $50,000 into the irrevocable endowment. Someone may complain. Never mind. Save. Requests for needs will intensify. Be calmly canny. Be sparing, even penurious if you must in order to defer every possible expense. It's amazing how many "immediate" requirements can wait, and how powerfully that adds to building the endowment for a secure future. Our fictitious ashram is saving $24,000 a year from its normal income, adding another $16,000 from other sources. Supporters catch the vision of a permanent endowment and give an additional $10,000 in new donations toward the effort. Everyone is sacrificing a little. This allows the ashram to place $50,000 into the fund each year. If all interest income is reinvested, after sixteen years the endowment will reach $1.5 million, and will be generating in interest the needed annual income of $120,000. Once this source is established, it is forever. Not only that, it releases current income to be invested. The fund increases dramatically when the ashram's entire nonendowment-income of $10,000 can be placed in it each month. Sixteen years is not a long time to work for permanent financial independence. Special trusts, called foundations, hold endowment funds to benefit people with a common purpose. We are pleased to announce that Hinduism now has a foundation of its very own-the Hindu Heritage Endowment. It is dedicated to holding endowments that support Hindu institutions in any country of the world. Individuals can create funds for favorite temples or projects. Hindu Heritage Endowment is awaiting recognition of its tax-exempt status from the US Internal Revenue Service. For a free introductory brochure and more details, send a self-addressed stamped envelope to HHE, 107 Kaholalele Road, Kapaa, Hawaii, USA 96746. By thinking strategically, we can craft today a potently abundant future for our faith.