

Five Pillars of Prosperity: Essentials of Faith-Based Wealth Building

Shafinah Rahim

Author : M. Yaqub Mirza (2014)
Publisher : White Cloud Press. USA
No. pages : 184
Price : RM412.85
ISBN Publication : ISBN 978-1-935952-88-6

Introduction

This book presents the Islamic approach to personal finance in a systematic and practical way. Using simple terms and backed by principles from the sources of revealed knowledge and empirical evidences, the author provides a guideline for Muslims to generate, preserve and expand wealth based on five mutually reinforcing supporting behaviour (identified as pillars). The contents are organized into six chapters, with the last focused on key wealth-building strategies in harmony with the *Shariah*.

Earnings

Yaqub begins with Earnings as the means of livelihood and sustenance for all, emphasizing the significance of work, adding value and enabling to fend oneself in Islam. He includes more than a dozen verses from the Holy Quran to show the critical role of expending our God-given abilities to make an honest, dignified living. Next, he discusses briefly the social function of wealth that results from the stream of earnings in relation to fard al-kifayah. A unique feature of the book throughout is the creative incorporation of similar thoughts in the New Testament and in Jewish traditions. For example, a passage from a modern Christian writer on the

acquisition of wealth for the benefit of society references verses from the Bible, showing the convergence of understanding between the two Abrahamic faiths. Three possible avenues of making money making i.e. employment, entrepreneurship and investment are briefly explained. The author has different advice according to age groups. While the young to are asked to exercise diligence during job search in order to excel in their choice, the ones considering career shifts are reminded to look beyond gross income. In other words, implicit benefits and value contribution to the organization are equally important yet often overlooked factors when considering working for others.

Trade is highly esteemed as a form of occupation in Islam. The Prophet (pbuh) himself was a successful business leader referred to date for his extraordinary good practices and values. Therefore, entrepreneurship holds a special place within the Islamic economic system, provided the code of conduct of doing business is observed in letter and spirit. In addition to a list of selective verses, Yaqub mentions social entrepreneurship as a good fit for people of faith to meet several goals in life. Immediately after, he describes eight key attributes found amongst the successful. Gratitude is the

mother of all other qualities such as strong work ethics, focus, persistence, passion, integrity, high standards and generosity. The underlying theme is sustainable success requires us to keep in mind the ultimate purpose of our being. Pillar one ends with the importance of managing income through budgeting and financial discipline. Apparently, increases in earnings are just as much a challenge, if not more, as is an unexpected fall. Without a financial plan in place or self-control, the second pillar, saving, becomes a difficult feat.

Savings

Defining savings as delayed gratification, Chapter 2 views the generation of surplus for future contingencies as the cornerstone of financial freedom. In demonstrating the critical financial status of fellow Americans, the author cites statistics of declining retirement funds among baby boomers, low average savings and the high likelihood of working till their late 70s. Taking a solution-based approach, Yaqub suggests 6 easy steps to eliminate debt, a precursor to savings. The process starts with assessing one's current outstanding loans, and ends at a workable budget, keeping specific financial goals in mind throughout. Based upon his four decades of professional experience, he categorizes individuals into planner, struggler, denier and impulsive in terms of financial management. Regardless, there is a way out of debts and into savings, by tracking one's day-to-day expenses. To help rookies, references to a number of books on money saving habits are also provided.

Investment

The subsequent chapter tackles readers' all-time favourite question: How to make money

earned and saved grow in value over time? Reminding gently that accumulating wealth for its own sake is highly desirable in Islam, the author stresses on the importance of timing when it comes to achieving optimum results. The long-term focus on the afterlife encourages Muslims and others of Abrahamic faiths to acknowledge the implicit role of social value when considering investment. Hence, forsaking the common maximization principle for an inclusive, equitable and sustainable return. The underlying message is to seek out faith-based investment, be it the traditional form in real estate or the more contemporary and diversified type investments of mutual funds.

The rest of chapter three is dedicated to introducing the various modes of Islamic financing: *mudharabah*, *musyarakah*, *murabaha*, *ijarah*, *istisna'*, *qard hassan*, *takaful*. Focus is given to their salient features respectively, while highlighting the strict adherence of *shariah*-based investment principles. A case example of the first bank in the United States to create an Islamic subsidiary, University Islamic Financial Corporation (UIF) serves as a closure and a precursor to the next pillar.

Spending

Technically, the direct opposite of earning is spending, a financial behaviour that adversely affects saving. In his conscious effort to not be redundant, the author skillfully readdresses the function of wise spending in three commonly overlooked actions. He asserts failure to condition oneself against the sneaky yet addictive impulsive purchasing is the first challenge, especially for generations born into a consuming culture. One way to beat the temptation of quick shopping is to hit a pause before making the decision,

taking that thinking time to survey for better bargains or possibly not to spend at all. This rule of thumb makes sense given how fast impulses fade away. Then comes the ancient adage, to spend only the money one has. In the context of the present modern day, this means getting into the habit of paying cash or using debit cards. Too often, people wind up in debt unintentionally because they mistake credit cards for convenience or smart shopping. Next, Yaqub illustrates the typical big-ticket expenditures can be done systematically with the help of worksheets. Again, sharing his personal experience on the cost of college education, followed by home purchases and performing Hajj, all of which require careful cash flow planning, he explains the importance of starting early. Using simple maths to show the differences in financial implications between prepaid purchases and accrued payments on current expenditures, the idea of mindful spending (embedded in Islam) is brought to the forefront of pillar four.

Giving

The last pillar to building wealth is none other than making an impact on the lives of others by way of giving. At the outset, the author clarifies that being of service should not be confused with encouraging dependency. Quoting verses from the scriptures of all three Abrahamic faiths, he highlights the convergence on the concept of charity. Citing two well-known hadith, Yaqub adds that in Islam, everyone has the ability to give because the act of generosity is not limited by money. However, the Qur'an has established priorities in giving. There is the obligatory zakah (alms-giving) and the voluntary donation, sadaqah. The former is believed to a powerful socioeconomic institution and takes the fourth place in the Islamic faith. For this reason, Muslim scholars

continue to push forward the conviction that poverty eradication is a realistic economic goal in an Islamic State (presuming every self-proclaimed Muslim fulfills his or her religious social responsibility faithfully). Although *zakah* appears similar to tithes in the Jewish and Christian traditions, the Qur'an is specific about the types, rates and groups entitled (*Asnaf*) for *zakah* distribution. So the strong message is the command to purify one's wealth, given its far-reaching effect on the less privileged. Contrary to common misperception, Islam is inclusive in spirit as there is no text that prohibits giving *zakah* to a non-Muslim *asnaf*. Examples of *zakah* funds given by *Baitulmal* to relief refugees in Muslim minority countries compel readers to appreciate the grand capacity of *zakah* when implemented rightfully. Continuous giving in the form philanthropic trusts funds, foundations, and endowments (*awqaf*) are discussed at length towards the end of the chapter.

Conclusion

The final and considered a bonus chapter discusses basic strategies to build and preserve the wealth rightfully earned, carefully saved and smartly invested. Fundamental to a successful financial future is a consistent approach towards predetermined monetary goals. The need for action and a time specific financial goal is underrated, therefore taken lightly by many. So, the way to go about establishing a clear, preferably measurable financial progress is to literally write down the intentional implementation in the form of the desired goal, in short and long terms. These detailed targets can then be complemented with strategies to develop one's financial plans. The author provides another quick reference, followed by some tips for the Do-

It-Yourself type investors, before shifting focus to four wealth-conserving financial instruments mentioned in Judaism and the Gospels, but included in the Qur'an more elaborately. He explains inheritance law in Islam, maintaining emphasis on how the division of a deceased's estate according the *Shariah* meets the distributive function of wealth in an economy, adding that in the U.S, the practice of writing a will (which has differing state requirements) partly fulfills the purpose. The concept of *Wasiyah* follows to demonstrate the element of flexibility in *Fara'id* to allow up to one-third of net worth to be willed to inheritors. Descriptions of living trusts, revocable or otherwise and family limited partnerships concludes the book ■