



t'azur

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Wealth Building Basics – A Shariah Perspective on Accumulating Real Wealth Here and Hereafter

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Agenda

Why Design your Financial Life?

What is Wealth?

Islamic viewpoint of Wealth and Money

Some references from Holy Quran

Wealth Building blocks and process

Conclusions

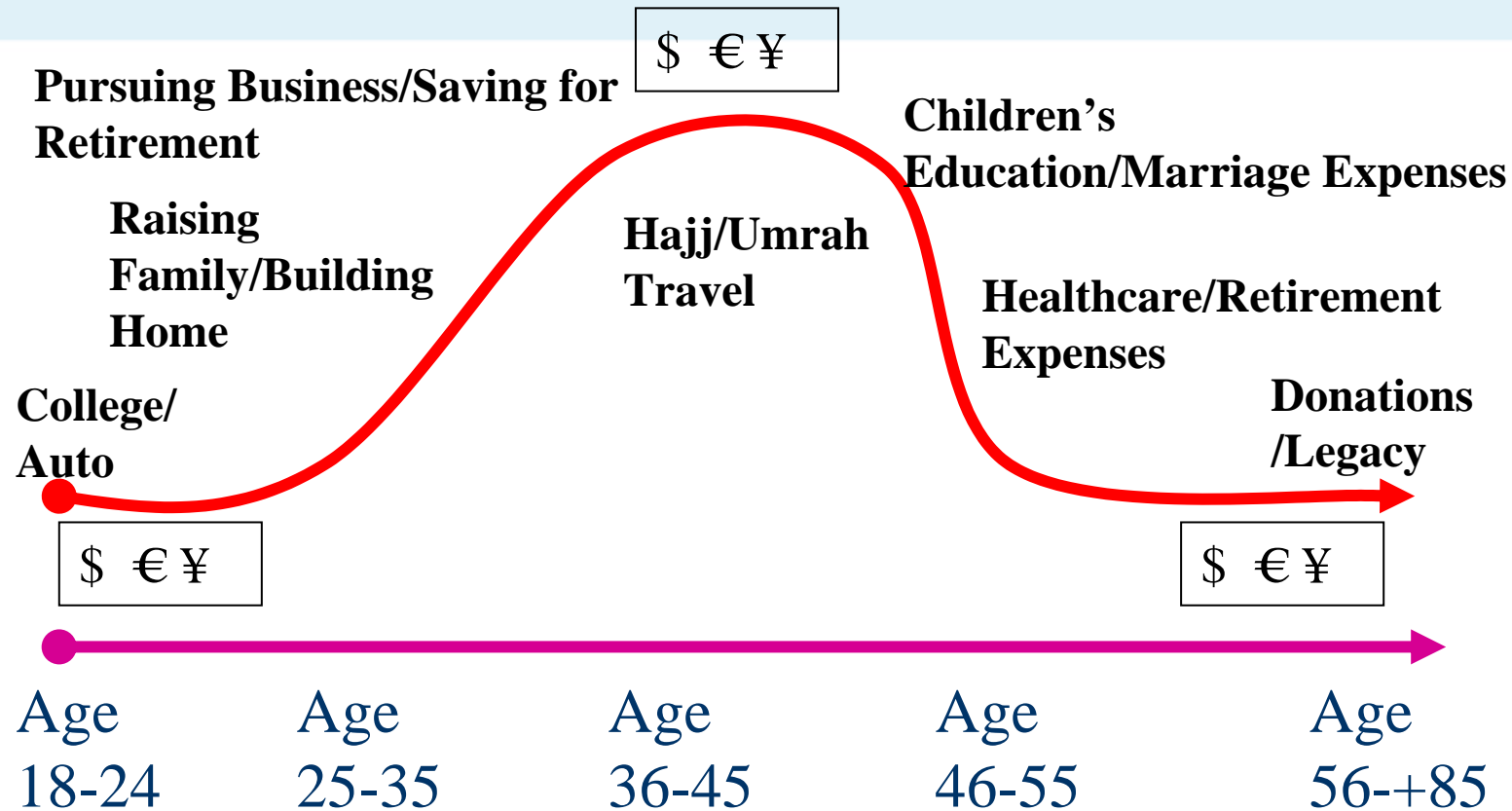
Why Design Your Financial Life?

- Gain Control over Your Finances/Money
- Reduce Uncertainty and Increase Security
- Design a Plan to Save Money and Invest Wisely
- Identify and Manage Risk Exposures
- Satisfy Your Responsibility as “Head” of Family or Household
- Measurement Tool for Gauging Success

What are the Major Life Events?

- Your College-University Education
- Financing your first Auto/Truck
- Having Children and Raising a Family
- Purchase/Building a Home
- Settling a Divorce
- Funding Your Children's Education
- Healthcare Expenses
- Marriage Expenses for Your Children
- Money for Retirement
- Assisting Your Parents in their Retirement
- Long Term Care if Disabled or Poor Health
- Charitable Donations
- Hajj – Umrah Travel
- Funeral Expenses

Typical LifeLine



What is Wealth?

• **Tangible**: Assets, Cash, Money, Securities, Shares, Property, Insurance, Business Ownerships/Partnerships, Collectibles, Jewelry, Royalties/Patents, Inheritance [[Personal Worldly Bank Account](#) ©]

• **Intangibles**: Knowledge, Skills, Talents, Wisdom (ilm), Beauty, Children, plus Pious Deeds [[Pious Deeds Deposit Account](#) © with **Allah** (swt)]

Islamic View of Wealth (A) = Attitude

- Correct Attitude and Understanding: We are simply Caretaker of **Allah's** (swt) **Wealth** (Al Ghani)
- **Wealth** is a Test or Trial for us (as Muslims)
- Less fortunate have a claim on the **Wealth** of the favored, hence there is a Duty towards the Poor (Zakat)
- **Wealth** is a Tool for Comfort, Protection and Security for Us and Loved Ones

Islamic References -1

“Certainly, to Allah belongs all that is in the heavens and the earth. Surely, He knows your condition and the Day when they will be brought back to Him, then He will inform them of what they did. And Allah is all-Knower of everything.” An Nur V24:64

“Race with one another in hastening towards forgiveness from your Lord (Allah) and Paradise, the width thereof is as the width of heaven and the earth, prepared for those who believe in Allah and His Messengers....And Allah is the owner of great Bounty.”
V51.21

Islamic References –2-

“And what will his **wealth** avail him when he goes down (in destruction/death)...He who spends his **wealth** for increase in self-purification, and who has no favor from anyone to be paid back, except to seek the Countenance of his Lord, the Most High, he surely will be pleased (when he will enter Paradise).” V92:11 and V92:18-21

“It is prescribed for you, when death approaches any of you, if he leaves **wealth**, that he makes a bequest to parent’s and next of kin, according to reasonable manners. This is a duty upon Al-Muttaqun (pious). Al Baraqarah V.2:180

Islamic References –3

“The Holy Prophet (PBUH) said: Verily it is better for you to leave your offspring **wealthy** than to leave them poor asking others for help.”

Hadith narrated by Amir bin Saad Abi Waqqas, Shahih Bukhari

Islamic References –4

“The likeness of those who spend their **wealth** in the way of **Allah**, is as the likeness of a grain of corn; it grows seven ears and each ear has a hundred grains. **Allah** gives manifold increase to whom He wills. And **Allah** is All-Sufficient for His creatures’ needs– All-Knower.” V2:261

“Verily the Al-Muttaqun (pious) will be in the place of Security- Paradise.” V44:51

“...But the greatest Bliss is the Good Pleasure of **Allah**. That is the Supreme success.” V9:72

Islamic View of Wealth (B) = Plan

- Develop a Plan for Accumulation of Riches and Property
- Manage that Plan for Capital Preservation – how much can you afford to lose?

The axiom is: “If you fail to Plan then you plan to Fail.”

Islamic View of Wealth (C) = Distribution

- Develop goals for Distribution and Donation
 - Zakat Annually plus Saddaqa Donations
 - Discretionary Volunteer acts
 - Inheritance – Estate Planning
 - Legacy – Living Trust --Sadaqa Jariraya

What builds Wealth?

- Savings – Bank Accounts
- Employer Savings/Retirement Plans
- Personal Investment Plans and **Takaful**/Insurance
- Business Ownership
- Jewelry, Art, Rare Coins & Collectibles
- Inheritance
- Other: Winnings, Inventions, Books, Patents

Notice that Wealth is more than simply Money.....

Wealth Management Process*

- **Establish correct Attitude towards Wealth and Money**
- Identify and Quantify Assets, Property, etc.
- Identify and Value Debts and Obligations
- Calculate “Free Cash Flow” – Disposable Income
- Identify and Quantify Risk Exposures
- Set Personal Financial Goals
- Develop a Personal Action Agenda
- Integrate the above into a Personal Wealth Plan [PWP*]
- Full implementation and monitoring results

*PWP© is described in more detail in the Islamic Wealth Guide ®
published by Dr. Omar Fisher, Bahrain 2007



Conclusions

- Become a Lifetime Investor....invest your Time as well as your Money
- Create **Wealth** here for your **Personal Worldly Bank Account**, and
- Create **Wealth** Hereafter for your **Pious Deeds Deposit Account** with **Allah** (swt)– good deeds.



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