

## THE FIVE CAPITALS

The fact that I left my corporate career to pursue coaching is a major testament to the effectiveness of the five capitals framework. This is foundational to the executive coaching I received as well as what I provide business leaders today.

In John 10:10 Jesus said, “I came that they may have life and have it abundantly.” He came to give life, life to the full. When we look around, though, our lives can feel chaotic. Running from meeting to meeting, phone call to phone call, and email to email. If we are not careful, it can start to feel like everything is important so that, really, nothing is important. The demands of the moment can end up overriding our long-term purpose. We let the impulse of to-day be more important than an investment for tomorrow.

The five capitals are based on two parables found in Matthew 25 and Luke 16. In Matthew 25:14–30, the Parable of the Talents, a master gives talents to three different servants. For context, a talent was worth about twenty years’ wages for a laborer. So in today’s dollars, if the annual median personal income is about \$31,000 (per the U.S Census Bureau for 2016), one talent then is equivalent to \$620,000 today! That is serious money. In today’s dollars, one servant got \$3.1 million, another servant got \$1.2 million, and the other servant got \$620 thousand. The master was truly empowering his servants! The servants who received five and two talents went and doubled their money. When the master came back, he was ecstatic and said, “Well done, good and faithful servants!”

But the master was not as pleased with the third servant. The third servant, as Scripture says in Matthew 25:25, “was afraid,” and he chose to bury the talent because he did not want to lose the money. The master calls him a “wicked and slothful servant!” Ouch! Our first thought is, “How harsh is that!” But that is the kind of God and Father we have—one who gives lavishly yet wants a return on His investment.

Guess who the investment is? You are. I am. We are called to take our time, talent, and treasures and invest them and get a return. The experiences and testimony we have, the wisdom we have gained, the restoration from our failures, our story—all of this needs to be shared to help others grow and give God and the Kingdom a return on His investment. If you are learning but not teaching and sharing with others, you are burying your treasure. If you are sitting on insight and ideas but not taking action due to fear, you are being “wicked.” We need to be investing not only into ourselves but also into our families, friends, and those who work for us.

Next parable. In Luke 16:1–13, a general manager knows the owner is about to fire him. As the general manager is thinking about what to do next, he realizes he is “not strong enough to dig” (physical capital) and “ashamed to beg.” The general manager has an idea (intellectual capital) to negotiate with the current customers. He begins asking customers how much they owe. One



customer owes a hundred measures of oil, and the general manager reduces the debt to fifty measures. He asks the next customer what he owes—a hundred measures of wheat, which he reduces to eighty.

What does the owner say when he returns? Is he angry at the manager for reducing debts? Not at all. Instead, the owner is pleased because the general manager leverages a lower capital (financial capital) for a greater capital (relational capital). The purpose of this parable is to encourage us to leverage our different capitals for greater gain for the Kingdom. In this parable, money is not the end all, be all. Jesus actually ends this parable in Luke 16:13, with, “No servant can serve two masters, for either he will hate the one and love the other, or he will be devoted to the one and despise the other. You cannot serve God and money.”

As Brandon Schaefer states in *Build a Better Life*, “Jesus is saying it is worth investing your financial capital to grow your relational capital, because relational capital is worth far more than financial capital.”

These two parables together show there are different capitals in our life, and we are charged with leveraging them in such a way that we bring a return on investment to God.

### **WHAT ARE THE FIVE CAPITALS?**

The following is an overview of the five capitals in order of priority. For a more detailed discussion of the five capitals, visit [www.fivecapitals.net](http://www.fivecapitals.net)

**SPIRITUAL:** This capital has to do with our relationship with God. The greatest command is to love God. It’s the most valuable of the capitals and is measured in wisdom.

**RELATIONAL:** This capital is about the relational equity (or trust) we’ve built up (or eroded) with others. The second greatest command is to love others. The relational capital is about both the quality and depth of our relationships. It’s measured in influence and impact.

**PHYSICAL:** The physical capital relates to the time and energy we have available to invest in other people. Time is the great equalizer. We have one life to make the most of. This capital is measured in hours and minutes.

**INTELLECTUAL:** This capital refers to our creativity and knowledge. The skills and competences we learn allow us to thrive in life. It’s measured in insight and ideas.

**FINANCIAL:** Finally, the financial capital relates to money, tangible resources we have available to invest. It’s about stewarding all the resources we have and is measured in dollars and cents.

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