

Introduction

الَّذِينَ يُؤْمِنُونَ بِالْغَيْبِ وَيُقِيمُونَ الصَّلَاةَ وَمِمَّا رَزَقْنَاهُمْ يُنْفِقُونَ (2:3)

Those who are mindful of God are who believe in the unseen, establish the prayer and spend out of what We have provided for them.

Taqwa (Mindfulness of God)

Committing to what's commanded and leaving what is prohibited.

Belief in the unseen

The belief in Allah, the angels, the Prophets, the scriptures and the Day of Judgment.

Establishing the prayer

Not just "praying", but praying correctly as taught by the Prophet (S) and meaningfully with the heart and soul

{ وَيُقِيمُونَ الصَّلَاةَ } لم يقل: يفعلون الصلاة, أو يأتون بالصلاة, لأنه لا يكفي فيها مجرد الإتيان بصورتها الظاهرة. فإقامة الصلاة, إقامتها ظاهرا, بإتمام أركانها, وواجباتها, وشروطها. وإقامتها باطنا بإقامة روحها, وهو حضور القلب فيها, وتدبر ما يقوله ويفعله منها

Spending

- 1) Spending in this ayah includes,
 - a. The obligatory financial liabilities (e.g. on family)
 - b. Obligatory charity (zakat)
 - c. Philanthropy (sadaqa)
- 2) Spending in all forms is a way to earn closeness to Allah
ولم يذكر المنفق عليهم, لكثرة أسبابه وتنوع أهله, ولأن النفقة من حيث هي, قربة إلى الله
- 3) The religion only requires a portion of the wealth to be spent
وأتى بـ " من " الدالة على التبعية, لينبههم أنه لم يرد منهم إلا جزءا يسيرا من أموالهم, غير ضار لهم ولا منقل, بل ينتفعون هم بإنفاقه, وينتفع به إخوانهم
- 4) The believer's state of mind is that wealth is Allah's, we are its guardians

Allah mentions prayer and spending together frequently in the Qur'an. Prayer represents sincerity towards the creator. Spending represents taking care of the creation. Thus, happiness is in sincerity towards the creator and taking care of the creation. On the contrary, wretchedness is not having either of these two.

Financial Liabilities

وَلَا تَجْعَلْ يَدَكَ مَغْلُولَةً إِلَىٰ عُنُقِكَ وَلَا تَبْسُطْهَا كُلَّ الْبَسِطِ فَتَقْعَدَ مَلُومًا مَّحْسُورًا (17:29)

Be neither miserly, nor so open-handed that you suffer reproach and become destitute.

دينار أنفقته في سبيل الله ودينار أنفقته في رغبة ودينار تصدقت به على مسكين ودينار أنفقته على أهلِكَ أعظمها أجراً الذي أنفقته على
أهلك

“The best *dinar* that is spent is the one on your family.” (Muslim)

Spending priorities

- 1) Obligatory financial liabilities
- 2) Obligatory charity (zakat)
- 3) Optional philanthropy (sadaqa)
- 4) Saving/investing

Who is financially responsible?

وَأَيْتَلُوا أَلْيَتَمَىٰ حَتَّىٰ إِذَا بَلَغُوا النِّكَاحَ فَإِنْ ءَانَسْتُمْ مِنْهُمْ رُشْدًا فَادْفَعُوا إِلَيْهِمْ أَمْوَالَهُمْ (4:6)

Keep a close check on orphans till they attain the age of marriage; then, if you find them to be mature of mind, hand over their property to them.

Who are you financially liable for?

Man

- 1) Heirs and wife (Hanbali position)
- 2) Parents, children and wife (Shafi' position)
- 3) Male children until they reach age of marriage, female children until married, parents only if they are poor and wife (Maliki position)

Woman

- Not responsible for spending on her husband; her wealth is hers (فَإِنْ طِبْنَ لَكُمْ عَنْ شَيْءٍ مِنْهُ نَفْسًا فَكُلُوهُ) (هَنِيئاً مَرِيئاً)
- Not responsible for spending on her kids except if husband passes away OR if husband is poor
- Responsible for supporting parents if they are poor, shares responsibility with siblings equally (Abu Hanifa)

Obligatory Charity – Zakat

الَّذِينَ إِنْ مَكَّنَّاهُمْ فِي الْأَرْضِ أَقَامُوا الصَّلَاةَ وَآتَوُا الزَّكَاةَ وَأَمَرُوا بِالْمَعْرُوفِ وَنَهَوْا عَنِ الْمُنْكَرِ وَلِلَّهِ عَاقِبَةُ الْأُمُورِ ﴿٤١﴾

[They are] those who, if We established them in the land, would say their prayers regularly and pay the zakat and enjoin good and forbid evil. The final outcome of all affairs rests with God. (22:14)

Words that we should be familiar with

Zakat = Obligation/pillar of Islam

Sadaqa = Any type of charity; optional

Nisaab = minimum amount of \$\$ you must have before you pay zakat

- 85 grams for gold
- 595 grams for silver

What is Zakat?

It is the obligatory charity that is the right of the poor/needy/recipients. It is due only upon specific types of wealth which have been retained for one lunar year. It is due only upon the well-to-do.

What is Zakat due on?

- 1) Cattle/livestock (camels, cows, sheep and 
 - Determined by each type of animal, for example, if someone has 25 camels the Zakat is 1 camel
- 2) Crop yield
 - 10% of the yield if the crops are naturally irrigated
 - 5% of the yield if the crops are artificially irrigated
- 3) Cash  and cash-like assets
 - 2.5% of total amount
- 4) Business commodities (products sold to make money)
 - 2.5% of the wholesale value of the commodity

For Zakat to be due, the wealth must be:

- 1) Accessible – unhindered access to wealth
 - a. Excluded:
 - i. Pensions
 - ii. UTMA
 - iii. Your retirement account (401k, IRA, or similar) until it is time to cash out without penalty
 - b. Included:
 - i. Contributions to the Roth IRAs (after 5 years)
 - ii. Loans receivable
 - iii. After a person reaches a certain age (59.5 years) then he or she may withdraw without penalty then Zakat is paid on that amount when you reach that age
- 2) Retained for one lunar year
- 3) Greater than Nisaab

Zakat is not due on:

- 1) Residential property
- 2) Value of investment property
- 3) Borrowed money (loans payable)
- 4) Jewelry worn regularly
 - a. Heirloom should be included
 - b. Gold and silver for investment should be included
 - c. Precious metals exempted
- 5) Any other valuables not listed above

Zakat on Investments

- Investment properties or land
 - o Only rental income
 - o Land purchased expecting growth
 - o Intention matters
- Stocks
 - o Mark-to-market method
 - o Current Asset Percentage method
- Gold and silver for investment

Who gives it?

Every Muslim who has accessible wealth, retained for a year and greater than the Nisaab.

Who receives it?

- 8 categories <http://tanzil.net/#9:60>
 - o Broke: 0% - 50%
 - o Destitute: 50% - 100%
- Not given to:
 - o Hashimite
 - o Family of Abdul Muttalib
 - o فقير تحت غني
 - o لا إلى فرعه وأصله
 - o Wife
- Horizontally is OK
- Wife giving to husband? Difference of opinion. Ideally, no.
- Has to be a Muslim
 - o Muslim NGO are good.

When?

Money that is scheduled → at the end of lunar year

- Calculate it on the beginning of the lunar year
- Pay it right away OR pay it in installments
- Paying before is OK as well

Money that is lump sum → track it separately for a year

- Pay at the end of the lunar year for the lump sum

Where?

- Relatives
- Locally
- Abroad
- Under normal circumstances

Philanthropy – Sadaqa

وَيَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلِ الْعَفْوَ كَذَلِكَ يُبَيِّنُ اللَّهُ لَكُمْ الْآيَاتِ لَعَلَّكُمْ تَتَفَكَّرُونَ (2:219)

They ask you what they should spend. Say, "Whatever is surplus to your needs".

وَأَتَى الْمَالَ عَلَى حُبِّهِ ذَوَى الْقُرْبَى وَالْيَتَامَى وَالْمَسْكِينِ وَأَنْبِيَ السَّبِيلِ وَالسَّائِلِينَ وَفِي الرِّقَابِ (2:177)

The virtuous are those who, despite their love for it, give away their wealth to their relatives and to orphans and the very poor, and to travellers and those who ask [for charity], and to set slaves free...

لَنْ تَنَالُوا الْبِرَّ حَتَّى تُنْفِقُوا مِمَّا تُحِبُّونَ وَمَا تُنْفِقُوا مِنْ شَيْءٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ (3:92)

Never will you attain to righteousness unless you spend for the cause of God out of what you cherish; and whatever you spend is known to God.

أَنَّهُ سَمِعَ عُقْبَةَ بْنِ غَامِرٍ، يَقُولُ: سَمِعْتُ رَسُولَ اللَّهِ صَلَّى اللَّهُ عَلَيْهِ وَسَلَّمَ يَقُولُ: كُلُّ أَمْرٍ فِي ظِلِّ صَدَقَتِهِ حَتَّى يُفْصَلَ بَيْنَ النَّاسِ - أَوْ قَالَ: يُحْكَمَ بَيْنَ النَّاسِ -

Saving, Investing and Accumulating Wealth

Is money evil? Is accumulating wealth sinful?

يَسْأَلُونَكَ مَاذَا يُنْفِقُونَ قُلْ مَا أَنْفَقْتُمْ مِنْ خَيْرٍ فَلِلْوَالِدَيْنِ وَالْأَقْرَبِينَ وَالْيَتَامَىٰ وَالْمَسْكِينِ وَالسَّبِيلِ ۗ وَمَا تَفْعَلُوا مِنْ خَيْرٍ فَإِنَّ اللَّهَ بِهِ عَلِيمٌ
(2:215)

They ask you [Prophet] what they should give. Say, ‘Whatever you give should be for parents, close relatives, orphans, the needy, and travelers. God is well aware of whatever good you do.

Al-Tabari says, “*Khair* in this ayah means wealth”.

إِنَّمَا أَمْوَالُكُمْ وَأَوْلَادُكُمْ فِتْنَةٌ ۗ وَاللَّهُ عِنْدَهُ أَجْرٌ عَظِيمٌ (64:15)

Your wealth and your children are only a test for you. There is great reward with God.

كَلَّا بَلْ لَا تَكْرُمُونَ الْيَتِيمَ ﴿١٧﴾ وَلَا تَحْضُونَ عَلَىٰ طَعَامِ الْمَسْكِينِ ﴿١٨﴾ وَتَأْكُلُونَ التَّرَاثِ أَكْلًا لَمًّا ﴿١٩﴾ وَتُحِبُّونَ الْمَالَ حُبًّا جَمًّا ﴿٢٠﴾

No indeed, but you show no kindness to the orphan, (89:17) nor do you urge one another to feed the poor, (18) and you greedily devour the inheritance of the weak, (19) and you have a love of wealth which can never be satisfied. (20)

Wretchedness is not having either of these two.

الَّذِينَ يُنْفِقُونَ أَمْوَالَهُمْ بِاللَّيْلِ وَالنَّهَارِ سِرًّا وَعَلَانِيَةً فَلَهُمْ أَجْرُهُمْ عِنْدَ رَبِّهِمْ (2:274)

Those who spend their wealth in charity day and night, secretly and openly—their reward is with their Lord, and there will be no fear for them, nor will they grieve

اطلعت في الجنة فرأيت أكثر أهلها الفقراء

“I saw paradise and saw that most of its inhabitants were poor.” (Bukhari)

Being rich is a mindset

The word for “rich” in the Qur’an is غَنِيٌّ. The word is described in Lane’s Lexicon as to be “free from want, in the state of having no wants or sufficiency”.

It is also a name of Allah – الغَنِيِّ, the One free from all needs, completely self-sufficient.

لَيْسَ الْغِنَىٰ عَنْ كَثْرَةِ الْعَرَضِ وَلَكِنَّ الْغِنَىٰ غِنَى النَّفْسِ

Wealth isn’t having a lot of possessions, rather wealth is being content. (Bukhari and Muslim)

Some notable wealthy companions

Zubair ibn Al-Awwam

- 40 million to 50 million (وقال ابن عيينة عن هشام عن أبيه قال اقتسم مال الزبير على أربعين ألف ألف)
- Dirham (silver) = 2.975 grams → 119,000,000 – 148,750,000 grams of silver → (\$0.5/gram)
\$59,500,000 - \$74,375,000

Abdur Rahman ibn Awf

- 700 camels returning from trading expedition

Uthman b Affan

- Owned the most camels of anyone in Arabia before becoming caliph
- 35,000 dirhams to purchase well of Rumah → 104,125 grams of silver → \$52,062.50

Is saving and investing encouraged or discouraged?

أَلَا مَنْ وَلِيَ يَتِيمًا لَهُ مَالٌ فَلْيَتَّجِرْ فِيهِ وَلَا يَتْرُكْهُ حَتَّى تَأْكُلَهُ الصَّدَقَةُ

“The legal guardian of an orphan should invest the orphan’s inheritance lest it’s consumed by zakat payments.” (Tirmidhi)

إِنَّكَ أَنْ تَذَرَ وَرَثَتَكَ أَغْنِيَاءَ خَيْرٌ مِنْ أَنْ تَذَرَهُمْ عَالَةً يَتَكَفَّفُونَ النَّاسَ

“You leaving your heirs wealthy is better than you leaving them poor, dependent on the people.”
(Bukhari)

Prophetic supplication

اللَّهُمَّ اكْفِنِي بِحَلَالِكَ عَنْ حَرَامِكَ، وَأَغْنِنِي بِفَضْلِكَ عَمَّنْ سِوَاكَ

Allahumm-akfini bihalalika 'an haramika, wa aghnini bifadlika 'amman siwaka

O Allah! Grant me enough of what You make lawful so that I may dispense with what You make unlawful and enable me by Your Grace to dispense with all but You.