

# Sharing the Profits of Business

## Case Study #24

### Scenario

**Our employees are integral to generating profits and creating wealth.** However, it's common for business owners, even Christian ones, to pay only the minimum wage, which is often not a livable wage. This has led to labor migration, broken marriages, and children growing up without parental care.

As business owners, are we willing to share profits with employees to support their families? **This is loving our neighbors in action.** Genesis 47:23-25 and Matthew 25:21 emphasize the importance of sharing with others.

Private Equity (PE) managers, who buy and manage private companies, have been criticized for not sharing wealth with workers. **Despite making huge profits, they often lay off employees, load companies with debt, and pay themselves handsomely.**

Case Study 1: Private Equity Urged to Share Unprecedented Profits

PE managers like Blackstone, KKR, and Apollo Global have seen their shareholdings increase by $40B since 2023. However, they have been criticized for not sharing wealth with workers. Christophe Ailman, outgoing investment chief of Calstrs, emphasized the need for PE managers to share wealth with workers and communities.

Case Study 2: Trafigura




Trafigura, a commodity trader, is owned by its 1,200 employees. The company paid $5.9B in annual dividends to its employee shareholders, more than triple the previous year. However, the company has recently been involved in scandals, highlighting the need for better internal controls.

In conclusion, sharing profits with employees is essential for their well-being and reflects our values as business owners. **As Christians, we are called to love our neighbors and share with those in need** (Romans 12:13, Hebrews 13:16).



## WHAT DO WE DO?

**What can we learn from examples like Trafigura's employee ownership model and profit-sharing practices?**

*HEBREWS 13:16*

*Do not neglect to do good and to share what you have, for such sacrifices are pleasing to God.*




# Featured Bible Verse

from Case Study #24

## Matthew 25:21

His master said to him, 'Well done, good and faithful slave. You were faithful with a few things, I will put you in charge of many things; enter the joy of your master.'

## Reflection Questions:

Considering the criticism of private equity managers, for not sharing wealth with workers despite huge profits, how might Christian business owners approach profit sharing differently?

**NOTES & REFLECTIONS:**