# THE 700 CLUB FINANCIAL SUCCESS

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*Fear of the Lord, gives life, security and protection from harm.*
Proverbs 19:23, NLT

## INTRODUCTION
# FINANCIAL SUCCESS

The American Heritage Dictionary defines success as: *the achievement of something desired, planned or attempted; the gaining of prosperity.*

It seems natural, then, as Christians, that we ask this question: does God intend for His people to enjoy success? The answer in the Bible is clearly affirmative. The apostle John wrote to the church in his day and said, "Beloved, I would that you should prosper and be in health even as your soul prospers."

It was Jesus, Himself, who talked about "giving and receiving" and having men heap things "into your bosom." It was God, in the book of Malachi, through the prophet, who said "if we would prove Him, He would open the windows of heaven and pour us out such a blessing we could not receive it." And, it was the apostle Paul, who wrote that God "gives us richly all things to enjoy."

It would be terrible to think that our loving heavenly Father gave the wealth and beauty of the world to estranged sinners and insisted His own people live impoverished and offensive lives.

The truth is, in the kingdom of God, everything is possible. In the kingdom, there is never a lack of resource or wealth. There is abundance for everyone. The Father gives and is never diminished. This is the economy of God. We enter this provision through faith. We are to begin by saying, "Father, I am yours. What is there for me? What would you have me do? Where are You at work and what is my place in Your plan? Reveal to me the concepts that I am to pursue."

I'm reminded of the story of George Washington Carver, the great African-American leader who came out of slavery and became a brilliant agronomist and scientist. He was a dedicated Christian who one day prayed and said, "Mr. Creator, show me the secrets of the universe!" As the story goes, God replied to him and said, "Little man, you are not big enough to understand the secrets of the universe, but I will give you the secrets of the peanut." So, George Washington Carver had to be content with what God was willing to show him. Then God said, "Take the peanut apart." George Washington Carver took the peanut apart and found within it some 350 elements. Then God told him, "Put it together again." Carver began to recombine those separate elements. From his experimentation came paint, plastics, protein food stuffs, agricultural feed, and a host of other products, which played a part in revolutionizing the agriculture of the South. Billions of dollars of trade and commerce resulted because God gave one man the secret of the peanut.

There are many other treasures in the wisdom of God that are waiting to be revealed to us. The way we gain such wisdom from God is through humility. You and I are to come to the Lord and honestly declare, "I am basically nothing. I know nothing and want to receive what You give me. Please teach me like a little child." When we have this attitude, we will grow dramatically in wisdom. God will transmit the laws of His invisible kingdom into our visible world, and we will receive His instruction. His knowledge, wisdom and instruction will lead us to success.

By now, you are beginning to understand that the operating principle underlying the creation of wealth is wisdom. The Bible tells us "By wisdom a house is built; and by understanding it is established. Through knowledge its rooms are filled, with rare and beautiful treasures." The Bible also states that "He who increases knowledge increases power."

You must make a commitment to gain the knowledge and wisdom necessary to become financially successful. This booklet is a step toward that commitment. I want to share with you how you can save money, get out of debt, invest profitably, build for a safe retirement, and achieve financial success.

God's way is the way of gradual, sure growth and maturity. He doesn't deprive us of the opportunities to learn and mature. It is this experience that gives us the maturity and footing to handle abundance. The wisdom of God's kingdom will lead you to genuine security and lasting prosperity.

At the same time, I must caution you. We cannot arrive at the point where we are so consumed with our finances and material acquisitions that we neglect God. Sometimes God, in His infinite wisdom, will strip us of our financial security so that we can learn more about Him. In all of our lives, there will be dry periods. There will be times when we feel as though we are in a valley or stranded in the desert. At these moments we have to rely on God. During such times, the best way out is through overcoming praise. Bad things can happen to good people. You may have difficult days in your life. When these times come, the attitude of our minds and hearts should be praise to God. As Job said, "the Lord gives, and the Lord takes away. Blessed be the name of the Lord."

God wants our lives to be free from worry and regret. He will equip us to be ready to meet the challenges of a complex world. We can only achieve this through seeking His counsel and direction. His wisdom and principles will lead you to the financial success you long for. Decide now that you will become a life-long seeker, and let's get started.

*The wise have wealth and luxury, but fools spend whatever they get.*
Proverbs 21:20, NLT

## CHAPTER ONE
# THE SUCCESS OF SAVING

The U.S. Commerce Department reported in 2005 that Americans' personal savings rate fell to zero percent. This is the first time since 1933 that Americans have spent more than they earned. People in other industrialized nations, such as Canada, France and Japan saved 11 to 15 percent of their incomes.

The American Savings Education Council reports that almost half of all employed Americans have less than $25,000 in savings. Sixty million Americans have zero dollars saved. And currently, the average American owes more than $8,400 in credit card debt. Millions of Americans are hoping for an improved financial outlook, but are clearly headed for failure rather than success.

Let me state in the clearest terms possible: You will not achieve financial success apart from the practice of saving. There are many excuses for neglecting to save: "too many bills," "I don't make enough money," "I don't have time to figure it out," and so on.

I am going to share with you a principle that is applicable to every individual who wants to achieve financial success:

*"FINANCIAL SUCCESS IS ACHIEVED THROUGH THE AMOUNT YOU SAVE, NOT THE AMOUNT YOU EARN."*

You must begin today to make saving a key priority in your financial life. After honoring God with our tithe and offerings, saving money must come next. This key component of wealth building can be expressed in another way: Pay yourself!

Most financial experts agree that individuals should save between 10 – 15 percent of all of their earnings. Simply stated, this means for each dollar you earn, you pay yourself a portion of that dollar.

David Bach, in his best selling book, *The Automatic Millionaire*, gives us a simple concept for achieving this practice based on a 40-hour work week. By simply paying yourself for one hour of work a day, you can save 12.5 percent of your income.

Use the following exercise to compute your individual rate of "paying yourself." How many hours last week did you work for yourself? Undoubtedly, you spent time and effort furthering the mission and profit of the company at which you are employed. Did you reward yourself for that effort by paying yourself? Use the following chart and discover how you are doing in terms of building your future by paying yourself.

*The Wisdom of Savings*

## PAY YOURSELF

| | | |
|---|---|---|
| LINE 1: | My Hourly Wage: | $__________ |
| LINE 2: | Multiply by the hours you work per week: | =__________ |
| LINE 3: | Spouse's Hourly Wage: | $__________ |
| LINE 4: | Multiply by the hours your spouse works per week: | =__________ |
| LINE 5: | Add lines 2 & 4 for Total Weekly Income | $__________ |
| LINE 6: | Amount I/We Normally Save Per Week: | $__________ |
| LINE 7: | Line 6 divided by line 5: | __________% |

*Line 7 Percentage Is the Percentage of Income I Paid Myself.*

## How Does That Compare to Goal of 10% – 15%?

Line 5: Total $__________ x 0.10 = $ __________

Line 5: Total $__________ x 0.15 = $ __________

Without a purposeful commitment to paying ourselves by saving, it is possible to work hard all our lives and end up with nothing but debt. But by adopting the practice of paying yourself, you will be well ahead of the majority of Americans and on the road to financial success.

One of the best ways to save is to pay yourself even before the government takes your earnings. You can legally "pay yourself" before the government by participating in pre-tax retirement accounts. Generally speaking, the government, through various taxes, takes 30 percent of every dollar. This happens before you even see your hard-earned paycheck. However, when you contribute to a tax-deferred retirement plan, you save those dollars **BEFORE** the government has a chance to take its 30 percent.

David Bach lists six key reasons to enroll in tax-deferred plans:

1. *You don't pay any taxes on the money you put into the plan or on any of the returns it earns you over the years – not even a cent in taxes – until you take it out.*
2. *As of 2006, you can put in as much as $15,000 a year (more if you are over age 50). (The maximum as of 2008 is $15,500).*
3. *You can arrange things so that your contributions are handled automatically through payroll deduction.*
4. *It's free! (Most employers offer these plans to employees without charge.)*
5. *You may even get free money from your employer. (Many companies offer to match a percentage of employee contributions.)*
6. *By contributing to your plan from every paycheck, you can enjoy the miraculous benefits of compound interest.*

Decide now to begin to pay yourself. You can find the money. One method that has proven helpful to many people is to keep a record of every cent that you spend for several weeks. You will find that a cappuccino here, a purchased lunch there, and an assortment of other seemingly small expenses are robbing you of a sound financial future.

If saving 10 – 15 percent seems impossible, then start with a lower percentage and build from there. In a later section, we will discuss various types of investments where your savings can build dramatic wealth. But before we discuss investments, we must consider an important strategy concerning your savings.

It is important for everyone to get a realistic picture of where they are in terms of financial health. One way to acquire this understanding is by charting out their equity. Take the time to fill out the Equity Worksheet that follows. You will list those items that are your assets (positive financial impact, such as savings and retirement accounts) and those items that are your liabilities (negative financial impact, such as debt). At the end of the exercise you will see on what side of the equation your finances fall. It may be startling, it may be encouraging. Either way, you must come to grips with where you are and where you are headed.

*The Wisdom of Savings*

# EQUITY WORKSHEET

| Description of Item | Value | – | Debt | = | Equity |
|---|---|---|---|---|---|
| Savings Account | ________ | – | ________ | = | ________ |
| Savings Account | ________ | – | ________ | = | ________ |
| Checking Account | ________ | – | ________ | = | ________ |
| Checking Account | ________ | – | ________ | = | ________ |
| Cash on Hand | ________ | – | ________ | = | ________ |
| Money Market Account | ________ | – | ________ | = | ________ |
| Mutual Funds | ________ | – | ________ | = | ________ |
| Retirement Plan | ________ | – | ________ | = | ________ |
| Stocks or Bonds | ________ | – | ________ | = | ________ |
| Cash Value Insurance | ________ | – | ________ | = | ________ |
| Real Estate ________ | ________ | – | ________ | = | ________ |
| Real Estate ________ | ________ | – | ________ | = | ________ |
| Household Items | ________ | – | ________ | = | ________ |
| Jewelry | ________ | – | ________ | = | ________ |
| Antiques | ________ | – | ________ | = | ________ |
| Car ________ | ________ | – | ________ | = | ________ |
| Car ________ | ________ | – | ________ | = | ________ |
| Boat | ________ | – | ________ | = | ________ |
| Credit Card Debt (Negative) | ________ | – | ________ | = | ________ |
| Other ________ | ________ | – | ________ | = | ________ |
| Other ________ | ________ | – | ________ | = | ________ |
| **TOTAL** | ________ | – | ________ | = | ________ |

Now that you know where you are financially, let's consider an important strategy in preparing for the future. It is important for everyone to have money in an emergency fund. This is a fund that contains an amount of money, equal to three to six months of your living expenses.

Life has uncertainties, and events happen beyond our control. It can be unexpected sickness, a job layoff, natural disaster, or a national emergency – the point is to have a cash buffer between you and such an unexpected turn of events.

Unfortunately, these days most Americans live paycheck to paycheck. The majority of Americans have less than one month's cash reserves on hand. Wisdom prepares for the unexpected. Use the worksheet that follows to determine how much money you need to have set aside for a financial emergency. Nothing can sabotage your financial plan like an event that causes you to go into greater debt or make desperate choices and decisions. Find out your target number:

*The Wisdom of Savings*

## MY EMERGENCY FUND

LINE 1: Calculate Monthly Expenses $ ____________

**REMEMBER:** These are basic expenses: Tithe, Mortgage or Rent, Transportation, Insurance, Utilities (Gas, Electricity, Phone and Water), and Food – just the necessities.

3-Month Cushion:

Multiply Line 1 ___________ x 3 = ____________

6-Month Cushion:

Multiply Line 1 ___________ x 6 = ____________

My Current Emergency Fund Total = ___________

When building your emergency fund, don't use a standard savings or checking account. Such accounts generally pay little or no interest and may actually cost you money by charging you handling and check-writing fees. In addition, inflation continues to inexorably eat away at your savings; and you will find yourself with less than when you began.

Instead, I suggest you place these funds in a money market account that is paying a reasonable rate of interest. Look for money market accounts that have check-writing privileges and no penalty for withdrawal. Remember, you want this money available in an emergency. The temptation exists to raid this account for purchases that are truly not emergency in nature. New clothes, better golf clubs, and special outings are not emergencies. This is your well-being you're saving for – don't sacrifice it for a momentary want.

Once you have an emergency fund in place, you will have a sense of accomplishment, greater peace of mind, and you will be ready to apply other wealth-building strategies to your finances.

*Good planning and hard work lead to prosperity.*
Proverbs 21:5a, NLT

## CHAPTER TWO
# THE SUCCESS OF BUDGETING

Perhaps you are like most people who, when they hear the word "budget," imagine all sorts of constraints and an end to the good life. But a budget is not an arbitrary set of prohibitions, a budget is simply a plan - your plan. It's your own personal roadmap that tells you exactly where your money is going.

Let me again repeat, this is your plan. If you love to play golf, put it in your budget. If you like going out to dinner with your husband, put it in the budget. A budget doesn't mean you stop doing the things you love. A budget means that you are now spending your money on purpose, and you've chosen how you are going to spend it.

The process of arriving at your plan is a relatively simple one. Use the "Monthly Cash Flow" form that follows to develop your own personal plan. This is a simple way to project your monthly expenses and compare that projection to the reality of your income.

Expenses come in several forms: fixed expenses, those things that happen every month at the same amount such as mortgages; variable expenses, those items that occur regularly, but are subject to fluctuation, such as fuel and utilities; and discretionary expenses, the items that determine your particular lifestyle such as clothing, entertainment and vacations.

After you have looked at current receipts and determined your total expenses each month, compare that total to your total income. Remember when calculating your total income to include all current sources: salaries, bonuses, interest, alimony, royalties, rents, cash gifts, social security, and so on.

Now you subtract your expenses, your "out-go," from your income. This simple math step will reveal if your plan is operating in the red, or has positive cash flow. If you are spending all you earn, the inevitable result of your lifestyle will be debt. You will have no reserves ready for future emergencies, and no preparation for retirement. If this is the case, go back to your expenses and rework your plan. You must find a way to either increase your income or decrease your expenses. Let me remind you though, there are two cuts in spending that will never bring you financial success – they are your tithe to the Lord and your savings. Find another area in which to make a reduction.

Once you've determined your plan or budget, employ a method of dividing your money into your pre-determined accounts. Some folks use envelopes, some go online and use an electronic envelope system. Whether it's an accordion file, or a well-disciplined checkbook, use some form of accountability and work your plan. Now that you have determined how you will spend your money, support your decisions and follow through.

# MONTHLY CASH-FLOW

| Category | Budgeted $ | Subtotal $ |
|---|---|---|
| **TITHES, OFFERINGS, AND CHARITABLE GIFTS** | ________ | |
| **Total** | | __________ |
| **SAVINGS** | | |
| Emergency Fund | _________ | |
| Retirement Fund | _________ | |
| College Fund | _________ | |
| **Total** | | __________ |
| **HOUSING COSTS** | | |
| First Mortgage | _________ | |
| Second Mortgage | _________ | |
| Real Estate Taxes | _________ | |
| Homeowner's Insurance | _________ | |
| Home Maintenance and Repairs | _________ | |
| Furniture Replacement | _________ | |
| Other _________________________ | _________ | |
| **Total** | | __________ |
| **UTILITIES** | | |
| Phone | _________ | |
| Electricity | _________ | |
| Gas | _________ | |
| Water | _________ | |
| Trash Removal | _________ | |
| Cable/Television | _________ | |
| Computer — Internet Connection | _________ | |
| Other _________________________ | _________ | |
| **Total** | | __________ |
| **FOOD** | | |
| Groceries | _________ | |
| Restaurants | _________ | |
| **Total** | | __________ |
| **CLOTHING** | | |
| Children | _________ | |
| Adults | _________ | |
| Cleaning/Laundry Services | _________ | |
| **Total** | | __________ |

*(Continued on next page)*

| | | |
|---|---|---|
| **TRANSPORTATION** | | |
| Car Payment 1 | ________ | |
| Car Payment 2 | ________ | |
| Car Insurance | ________ | |
| Gas and Oil | ________ | |
| License and Taxes | ________ | |
| Repairs and Tires | ________ | |
| Car Replacement Savings | ________ | |
| **Total** | | ________ |
| **MEDICAL/HEALTH** | | |
| Health Insurance | ________ | |
| Disability Insurance | ________ | |
| Doctor Bills | ________ | |
| Dentist Bills | ________ | |
| Optometrist | ________ | |
| Prescription Drugs | ________ | |
| Other ________________________ | ________ | |
| **Total** | | ________ |
| **PERSONAL** | | |
| Life Insurance | ________ | |
| Education-Child | ________ | |
| School Tuition | ________ | |
| School Supplies | ________ | |
| Education-Adult | ________ | |
| Child Care | ________ | |
| Babysitter | ________ | |
| Toiletries | ________ | |
| Cosmetics and Hair Care | ________ | |
| Newspaper and Magazine Subscriptions | ________ | |
| Organization Dues | ________ | |
| Gifts (Christmas, Birthday, etc.) | ________ | |
| Other ____________________ | ________ | |
| **Total** | | ________ |
| **MISCELLANEOUS SPENDING** | ________ | |
| **Total** | | ________ |
| **RECREATION** | | |
| Vacation | ________ | |
| Entertainment | ________ | |
| **Total** | | ________ |

**DEBTS**

| | | |
|---|---|---|
| MASTERCARD #1 | __________ | |
| MASTERCARD #2 | __________ | |
| VISACARD #1 | __________ | |
| VISACARD #2 | __________ | |
| Discover Card | __________ | |
| American Express Card | __________ | |
| Gas Card #1 | __________ | |
| Gas Card #2 | __________ | |
| Finance Company #1 | __________ | |
| Finance Company #2 | __________ | |
| Credit Line | __________ | |
| Department Store Card #1 | __________ | |
| Department Store Card #2 | __________ | |
| Student Loan #1 | __________ | |
| Student Loan #2 | __________ | |
| Other ____________________________ | __________ | |
| Other ____________________________ | __________ | |
| **Total** | | ___________ |

**EXPENSES GRAND TOTAL: $**_________________

**TOTAL INCOME: $**_________________

**MINUS EXPENSES GRAND TOTAL: $**_________________

**EQUALS MONTHLY CASH-FLOW BALANCE: $**_________________

A negative balance means you have to cut back on puchases and services or find additional income sources to bring your balance to zero.

NOTES

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

_______________________________________________________________________

*Those who love pleasure become poor; wine and luxury are not the way to riches.*
Proverbs 21:17, NLT

## CHAPTER THREE
# THE SUCCESS OF ELIMINATING DEBT

America is drowning in debt. In 2004, Americans bought items on credit that totaled over $2 trillion! Currently, Americans carry over $700 billion in revolving credit each month. That's up from $50 billion in 1980. Consumer debt for Americans is now averaged at approximately $7,100 per person, not including home mortgages. These are staggering statistics.

For many families, debt has become a crisis. Vast numbers of people have adopted faulty reasoning when it comes to purchasing goods and services. A debt mind-set says: "If I can afford the payment, I can afford the item." What many people are discovering is that they cannot afford the item or the payment.

Credit card companies are notorious for luring in new customers with low rates, and then raising those interest rates to astronomical levels when a payment is late or missed. Credit card companies and banks can raise your interest rate even if you are late paying an unrelated bill. They can simply declare you to be a credit risk, thus justifying a higher rate. Remember the Rule of 72. Just divide the percentage of interest you are paying into 72 and you will find the amount of years it will take for your debt to double. At interest rates of 18 percent and beyond, the time debt takes to double is very short.

It is clear that financial success can never be achieved while paying exorbitant rates of interest due to debt. Eliminating debt must be a priority if you are to gain control of your finances. Here are several key steps that will lead to your freedom from debt.

First of all, you must make a commitment to stop buying on credit. I highly recommend you undergo "plastic surgery." By that I mean you cut up your credit cards. If you lack the self-control necessary to cease buying on credit, you must get rid of your ability to do so. Cut up the cards. Many people argue that they must keep at least one card for such necessities as hotel and airplane reservations, gas purchases, and so forth. Many banks now issue debit cards that will accomplish all of these matters, and the money is drawn directly from your checking account as opposed to being placed on a line of credit.

If you have the discipline to use a credit card and pay off the entire balance each month, then you may find it an advantage to do so. In essence, you are using the credit card company's money as a free loan for 28 days. You must pay off the entire balance within the grace period or finance charges will obliterate this financial advantage.

Secondly, if you currently have consumer debt, you must adopt an aggressive strategy to pay off those bills. I recommend you use the Eliminating My Debt worksheet that follows. On this worksheet you will list your debts, excluding home mortgages, in the order of smallest to largest payoff balance. For now, do not consider interest rates or other factors. Just list your debts, small to large. Once you have your debts listed, continue to pay the minimum payments on all your debts to keep things current, except for your smallest. Instead, focus all your financial resources on eliminating that bill. Every extra dollar you can find should go to paying it off. Have a yard sale, get a part-time job, or develop a home business, and focus your attention like a laser on paying off that balance.

Once that bill is eliminated, move to the second smallest and do the same. You will now have the added resource of the money previously given to the debt you have paid off. In this way you will move through your debt, building larger payments and greater momentum as you go. Do not stop until every debt on your list is paid.

Dave Ramsey in his best-selling book, *The Total Money Makeover*, describes the benefit of a "Debt Snowball":

"The reason we list smallest to largest is to have some quick wins. ... Face it, if you go on a diet and lose weight the first week, you will stay on that diet. If you go on a diet and gain weight or go six weeks with no visible progress, you will quit. ... When you start the 'Debt Snowball' and in the first few days pay off a couple of little debts, trust me, it lights your fire. I don't care if you have a master's degree in psychology; you need quick wins to get fired up. And getting fired up is super important."

Lastly, most debt can be avoided if we learn to live within our means. That takes self-control. Self-control is an absolute fundamental for wealth, growth, and freedom. Commit today to control your spending. Refuse debt. Pray and ask God for creative ways in which you can increase your income to pay off your debt. You can do this. Begin today and you will be one step closer to the dramatic wealth-building opportunities that come when you are debt free.

*The Success of Eliminating Debt*

## ELIMINATING MY DEBT WORKSHEET

| DEBT ITEM | TOTAL AMOUNT OWED | MINIMUM PAYMENT | CURRENT PAYMENT | REMAINING PAYMENTS |
|---|---|---|---|---|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
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*Work brings profit, but mere talk leads to poverty!*
Proverbs 14:23, NLT

## CHAPTER FOUR
# THE SUCCESS OF INVESTING

It is currently estimated that 40 percent of adult Americans have nothing saved for the future. Only one out of four workers over the age of 55 has investment assets greater than $100,000. One in three has assets of $50,000.

The Bible instructs us to "look well to your flocks and herds." In this simple instruction, the Lord is advising us to manage our resources well. Now you may say, "I have no flocks or herds." The fact is, the Lord has given you something and is requiring that you manage it well. You may have property or stocks and bonds. Perhaps you have insurance products or rare collections; even the income from your job is yours to manage. The point is, we must take those things the Lord has given us, those areas of profit, and use and invest them. Procrastination and lack of knowledge will lead us, just as Proverbs warns, to "poverty." Let's take a general look now at areas of investment.

One of the best ways to invest is through tax-sheltered retirement programs. The beauty of these programs is the ability to save on taxes and build an income at the same time. For instance, if you are in the 20 percent tax bracket, you realize an automatic 20 percent gain on whatever you place into these accounts.

You can learn more about the specifics of each account by logging on to IRS.gov.

*Here are some basics (as of 2008):*

**IRA – Individual Retirement Account: Tax-deductible contributions based on salary, tax-deferred growth on all earnings from contributions. Individuals may contribute $5,000 per year, married couples $10,000, even if only one spouse has earned income. Must begin disbursements at age 70½.**

**ROTH IRA – Individual Retirement Account: Taxes on money you put in. If you are older than 59½ and have had the money invested for 5 years, there are no taxes when you take it out. No mandatory requirement to take money out at age 70½.**

**401(k) and 403(b) Accounts – Self directed retirement accounts. Individuals may contribute up to $15,500 a year – more if you are over 50. Tax-deferred earnings. Employer often matches portion of contribution.**

**Keogh Plans – Qualified retirement plan for self-employed individuals. $46,000 maximum contribution or 25 percent of income, whichever is less.**

One of the most exciting and profitable ways your money can grow, is by investing in the stock market. You may say, "I'm scared of the stock market, it's for speculators!" The truth is - it is not. The stock market holds great wealth and potential for those who are willing to acquire the proper knowledge.

Warren Buffet has said, "I don't invest in anything I don't understand." This is an excellent rule by which to invest. When you purchase stock, you are actually buying a portion of that company. Stock ownership is basically business ownership. The stock you own is able to increase your wealth in two ways: one, by income dividends, and two, by appreciation of each share of stock value.

Many people begin stock market investing through mutual funds. A mutual fund is an investment instrument in which various investors, pool their money, and together invest in various stocks, bonds and assets. Mutual funds give small investors access to the same opportunities as investing giants.

There are many types of mutual funds: equity funds, that invest primarily in stock and bond funds; income funds, that emphasize high yielding stocks that pay dividends; growth funds, that give long term capital appreciation; global funds, which invest your money in companies all around the world; and many other opportunities.

As you can see, you need to gain understanding. Each of you should have an understanding of basic accounting and business principles. Find and work with a reputable financial investment company and begin to invest and learn. Be sure to invest in funds that have "no load." That means you won't be paying a sales commission on your purchase. Choose several types of funds; and in this way, you will decrease your risk.

Perhaps you say, "I choose to invest in a home." Many Americans consider their home to be their primary investment. But keep in mind, this is not always the case. Your residence costs money: taxes, mortgages, maintenance, utilities, yard upkeep, repairs, and on it goes. You may be developing equity, but if your plan is to remain in that home and never leverage the equity, you really are not building an investment. You are enjoying a place of residence that hopefully will be paid in full by the time you reach retirement.

Huge houses with expensive mortgages are not the road to wealth. Remember the description of "The Millionaire Next Door"? Authors Thomas Stanley and William Danko, say many millionaires among us live in modest homes and pay off their mortgages quickly.

Real estate can be an investment when it is used wisely. Despite current conditions, in the past, real estate has increased in value 6.3 percent a year on average since 1968. The Federal Home Loan Mortgage Corporation reports that there has never been a year when house prices have declined nationally since 1950. You receive tax benefits from owning property in that the IRS allows you to deduct all of the interest charges you pay on the first $1 million of your home mortgage. This amount is deducted from your taxable income. Additionally, in 1997 the Capital Gains law was changed so that now, each time you sell your home, the first $250,000 in profit is tax-free;

$500,000 if you are married. Also, your home can be an investment when you use it to build wealth, by using the equity to purchase rental properties or other investments.

An important concept to remember when investing is diversification. This simply means, "don't put all your investment eggs in one basket." Financial planners use the term "asset allocation" when they talk about spreading investments among several categories. This decreases your risk, since it is rare that all areas of investment such as domestic stock, foreign stock, precious metals, bonds, collectibles, and real estate move at the same time in the same direction.

The Bible says, "The wise man sees the danger and hides himself, the fool goes on and is punished." One thing about investing – you cannot hold on to the rudder of the *Titanic* as it is plunging beneath the waves. We live in a changing world. You need to understand what is going on in the world and where the trends are headed. Gain wisdom, seek reliable and qualified financial counsel, and pray to the Lord for His guidance. The result will be financial success. As Proverbs 9:11-12a states, "Wisdom will multiply your days and add years to your life. If you become wise, you will be the one to benefit" (NLT).

*Honor the Lord with your possessions and with the firstfruits of all your increase; so your barns will be filled with plenty, and your vats will overflow with new wine.*
Proverbs 3: 9-10, NKJV

## CHAPTER FIVE
# THE SUCCESS OF RECIPROCITY

One simple declaration by Jesus revealed a law that will change the world: *"Give, and it will be given unto you. ..."*

Eight words. They form a spiritual principle that touches every relationship, every condition of man, whether spiritual or physical. They are pivotal in any hope we have of relieving the world's worsening crises.

Jesus expanded the universality of this theme throughout His ministry, varying subject matter and application. In the discourse from which we get the eight words, we find this expansion: *"... just as you want people to treat you, treat them in the same way."* And from that, of course, came what the world describes as the Golden Rule: *"Do unto others as you would have them do unto you."*

Jesus went on, putting a frame around the eight key words in this manner: *"Be merciful, just as your Father is merciful. And do not judge and you will not be judged; and do not condemn, and you will not be condemned; pardon, and you will be pardoned. Give and it will be given to you; good measure, pressed down, shaken together, running over, they will pour into your lap. For by your standard of measure it will be measured to you in return."*

***A Universal Principle***

The Law of Reciprocity, a kingdom principle revealed in these teachings of the Lord, is relatively easy for us to identify since it is so visibly pervasive in the physical world.

If you smile at someone, he most likely will smile back. If you strike someone, the chances are he will hit you back. If you express kindness, you are almost certain to have someone express kindness in return. If you are critical of everything and everyone, you can expect to receive critical judgment from others.

Giving is foundational. You have to give of yourself. You have to give of your money. You have to give of your time. And this foundational truth works in both the invisible and the visible worlds.

It is not complicated. If you want a higher salary in your job, you have to give more. Those with good salaries are not people who sit back and scheme and spend all their time thinking of ways to promote themselves. People who are recognized in an organization are those who work harder, think more creatively, and act more forcefully in behalf of the enterprise. They give. They are rewarded.

So many people today go for a job with one thought in mind: *"What will I get out of it?"* Their only concerns are salary, fringe benefits, and title. They are takers, not givers. And takers do not go to the head of the list. The top people are those who say, *"I want to do this to help you. Your company has a product that I can help make successful. I have a plan that I'm certain will work."* They are givers.

We tend to justify our shortcomings in comparison with these people by hinting at "lucky breaks" or "knowing the right people." But we're wrong. Invariably, those who give concepts, extra time, personal concern, and the like are the receivers. They are giving to an organization – and, indirectly, to individuals in that organization – and they are bound to benefit.

The hard work and overtime must also be accompanied by a proper attitude, of course. Those who give meanness or anger or trouble will get it back. *"Do not judge lest you be judged,"* the Lord said, which drives directly at attitudes. Anyone who is critical, constantly faulting others, and cutting associates will not rise to the top. He will get back what he gives. The one who makes his department look good, including his boss, is the one who will get the salary increase he needs. *"By your standard of measure, it will be measured to you in return."* That's a law.

We cannot talk about a need for money without running headlong into the matter of giving to the Lord. Since everything is His – the cattle on a thousand hills, silver, gold, governments – He obviously is the One we should be turning to in our need. *"Give, and it shall be given to you,"* Jesus said. And that includes dealing with God Almighty.

The prophet Malachi was precise in speaking the thought of the Lord regarding such dealings.

*"From the days of your fathers you have tuned aside from My statutes, and have not kept them. Return to Me, and I will return to you,"* says the Lord of hosts. "But you say, 'How shall we return?' Will a man rob God? Yet you are robbing Me! But you say, 'How have we robbed Thee?' *In tithes and offerings.* You are cursed with a curse, for you are robbing Me, the whole nation of you! *Bring the whole tithe* into the storehouse, so that there may be food in My house, and *test Me now in this,"* says the Lord of hosts, *"if I will not open for you the windows of heaven, and pour out for you a blessing until it overflows."*

The passage shows how seriously the Lord God takes the matter of giving. Obviously, if He owns everything, He doesn't really need our tithes and offerings, but He has gone to great lengths to teach us how things work. If we want to release the superabundance of the kingdom of heaven, we must first give. Our Father is more than ready to fulfill His side of the Law of Reciprocity. One can almost imagine His heavenly host standing on tiptoe, brimming with anticipation, gleeful, awaiting the opportunity to release the treasures so badly needed in our visible world.

Note the promise of abundance in Malachi's words. Some translators render the promised blessing as so great that "you won't have enough room to take it in." In the world, we measure return in percentages of six or eight or 10, and sometimes 15 and 20. In the kingdom, the measures are 3,000 percent, 6,000 percent, and 10,000 percent – "30, 60, and a hundredfold."

That is a beautiful promise for those facing economic distress today. "Test Me," says the Lord. "Prove Me."

I am as certain of this as of anything in my life: If you are in financial trouble, the smartest thing you can do is start giving money away. Give tithes and offerings to the Lord. Give time. Give work. Give love. That sounds crazy. But often the plan of God is filled with paradox. If you need money, then begin to give away some of whatever you have. Your return, poured into your lap, will be great, pressed down and running over.

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