
RESETTING YOUR MONEY MINDSET



Grace Church Frisco | February 3, 2024

SPENDING INTENTIONALLY
GIVING PURPOSEFULLY
INVESTING WISELY

RESETTING YOUR MONEY MINDSET



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WELCOME AND OVERVIEW

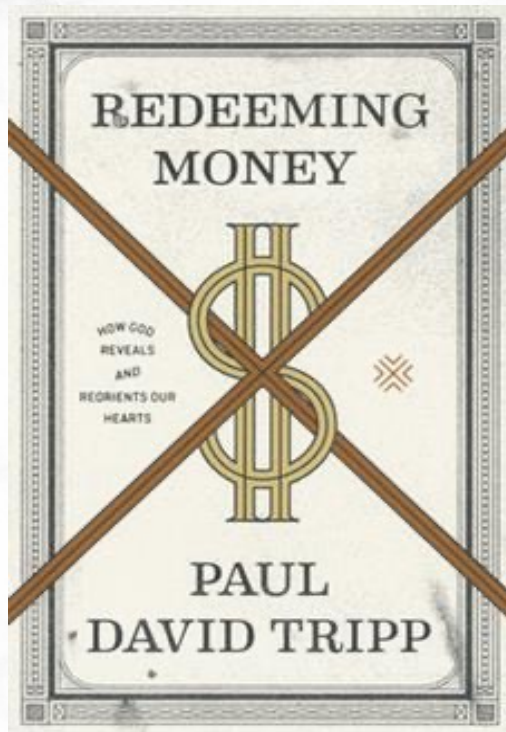
- FRED SHAW

INTRODUCING THE FINANCIAL DISCIPLESHIP TEAM

- Fred Shaw
- Dave Kelly
- Brad Elledge
- Stephen Schuch

- Beth Valka
- Tim Payne
- Cherith Valka
- Jack Brutke

PAUL TRIPP - "REDEEMING MONEY"



- It's not about me.
- We live in a broken world of sin and temptation.
- God's grace abounds....So change is possible.
- We were created to live for something bigger than ourselves.

COMMON MONEY IDENTITY CHALLENGES

- Status/Image
- Control/Power/Influence
- The American Dream
- My way works better than God's
- Kingdom of Self
- I know the drill
- Diligence issues

RESETTING YOUR MONEY MINDSET



SESSION 1: GIVING PURPOSEFULLY
- TIM PAYNE

GIVING PURPOSEFULLY

- WHY DOES IT MATTER IF/HOW WE GIVE?

“Could it be...we were designed by God to live for something bigger than ourselves? Our lives were meant to be shaped by things that transcend the boundaries of our little plans and pleasures. The pleasure of someone vastly bigger and better was meant to be what would please us most and shape the way we live. Our money was meant to be connected to this bigger thing, our use of money was to be shaped not just by personal need or pleasure, but more foundationally by transcendent realities. Either our money is the currency that pays the bills for the small-market visions of the kingdom of self, or it is a God-given tool in our hands for participating in the big-picture work of the kingdom of God.”

- Paul David Tripp, *Redeeming Money*

GIVING PURPOSEFULLY

- WHY DOES IT MATTER IF/HOW WE GIVE?

“You can’t understand money if you don’t understand who you are, and money is one of the principal ways you demonstrate who you think you are. There is no better indicator of the identity you have assigned to yourself than the way you use money. In a fundamental way, the drama of identity often plays out in the arena of money. You and I, again and again make clear who we think we are by the way we use our money.”

- Paul David Tripp, *Redeeming Money*

THE BEST GENEROSITY STORY EVER

(CHAPTER 9 OF REDEEMING MONEY BY TRIPP)

- The Generosity of Creation: Creation is a lavishly generous gift.
- The Generosity of Covenant: God's covenant blessings and promises are his generosity on display.
- The Generosity of Freedom from Slavery: Because God makes generous promises, he is generous in the use of his power to fulfill those promises.
- The Generosity of the Law: He gave the law not just as an exercise of his authority but as a testament to the extent of the generosity of his love.

THE BEST GENEROSITY STORY EVER

(CHAPTER 9 OF REDEEMING MONEY BY TRIPP)

- The Generosity of the Promised Land: God is not just generous in the fulfillment of his promises, but he is also lavishly generous in his patience.
- The Generosity of the Incarnation: For God so loved the world that he GAVE his only Son.
- The Generosity of the Cross and Forgiving Grace: This is the ultimate definition of generosity...Jesus wasn't just willing to suffer injustice, torture and death for us, he found joy in doing so.

THE BEST GENEROSITY STORY EVER

(CHAPTER 9 OF REDEEMING MONEY BY TRIPP)

- The Generosity of Accepting Love: Broken by sin, we never could have earned a welcome into God's family. It is only ever enjoyed as a fruit of his generosity.
- The Generosity of Scripture and the Church: His very words in our hands, participation in the the Bride he is preparing for himself.
- The Generosity of Daily Mercy: He never leaves us or forsakes us.
- The Generosity of Eternity: Endless joy and perfect fellowship with God.

THE BEST GENEROSITY STORY EVER

(CHAPTER 9 OF REDEEMING MONEY BY TRIPP)

“Without this gospel theology of generosity, discussion of money becomes about how to steward what God has given you, how to keep out of debt, how to fulfill your contracted financial obligations, how to have financial stability, how to anticipate your financial needs upon retirement, and how to ensure that you give God a tithe. None of these things is wrong, and all of them are helpful in some way, but the whole plan is devoid of the larger considerations of the call to be God’s ambassadors on earth.”

- Paul David Tripp, Redeeming Money

OUR GENEROSITY CALLING

■ Old Covenant: Firstfruits +

- *Leviticus 27:30,32 Every tithe of the land, whether of the seed of the land or of the fruit of the trees, is the LORD's; it is holy to the LORD. ³² And every tithe of herds and flocks, every tenth animal of all that pass under the herdsman's staff, shall be holy to the LORD.*
- *Deuteronomy 16:17 Every man shall give as he is able, according to the blessing of the LORD your God which He has given you.*
- *Deuteronomy 12:6 ...and there you shall bring your burnt offerings and your sacrifices, your tithes and the contribution that you present, your vow offerings, your freewill offerings, and the firstborn of your herd and of your flock.*

OUR GENEROSITY CALLING

■ New Covenant: Matthew 5

- Jesus, in *NO* case, lowered the standard of the law, but in *ALL* cases took it from a requirement of external obedience to a requirement for obedience *PLUS* pure motive.
- The commands to generosity and giving should and must not be considered an arbitrary exception.
- In American “Christendom”, according to Christianity Today’s research, the average American Christian gives 2.5% of their *NET* income...so they automatically deduct 2-6% into their retirement first, then pay Uncle Sam and their state governments their 10-50%, then out of what remains, give the Lord 2.5%... that is a far cry from the 10%-plus offerings that were commanded in the Old Testament.

OUR GENEROSITY CALLING: GETTING TO THE HEART

- **2 Corinthians 9:6-8** *Now this I say, he who sows sparingly will also reap sparingly, and he who sows bountifully will also reap bountifully. Each one must do just as he has purposed in his heart, not grudgingly or under compulsion, for God loves a cheerful giver. And God is able to make all grace abound to you, so that always having all sufficiency in everything, you may have an abundance for every good deed.*
 - “The cheerfulness often comes during and after the act of obedience, not before it.” - Randy Alcorn

OUR GENEROSITY CALLING: GETTING TO THE HEART

- **1 Chronicles 29:9** *Then the people rejoiced because they had offered so willingly, for they made their offering to the Lord with a whole heart, and King David also rejoiced.*
 - “Before anything else, giving is an act of worship.” – Randy Alcorn
- **Acts 5** – Ananias and Sapphira - They weren’t punished for not giving enough...generosity isn’t about how much, it’s about a heart that is abandoned to God. They contrived in their hearts to deceive the Holy Spirit. They were looking for recognition.
 - “I have made many millions, but they have brought me no happiness.”
– John Rockefeller

OUR GENEROSITY CALLING: GETTING TO THE HEART

- “We are halfhearted creatures, fooling about with drink and sex and ambition when infinite joy is offered to us, like an ignorant child who wants to go on making mud pies in a slum because he cannot imagine what is meant by the offer of a holiday at sea. We are far too easily pleased.” - C.S. Lewis
- “I have held many things in my hands and I have lost them all. But whatever I have placed in God’s hands, that I still possess. - Martin Luther
- **1 Corinthians 8:7** *See also that you excel in the grace of giving.*
 - “Like piano playing, giving is a skill.” - Randy Alcorn

OUR GENEROSITY CALLING: GETTING TO THE HEART

- **Matthew 6:24** *No one 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.*
- “The issue that Christ drops in the middle of his teaching is this: either you are investing your life in the pursuit of money and what it will get you, or you are investing your life in pursuit of God and what he says is of value. There really is no neutral ground.”
- Paul David Tripp, *Redeeming Money*

OUR GENEROSITY CALLING: GETTING TO THE HEART

- “He is no fool who gives what he cannot keep to gain that which he cannot lose.” - Jim Elliott
- “You can’t take it with you, but you can send it on ahead.”
- Randy Alcorn
- “He who lays up treasures on earth spends his life backing away from his treasures. To him, death is loss. He who lays up treasures in heaven looks forward to eternity; he’s moving daily toward his treasures. To him, death is gain.”
- Randy Alcorn

THE RECIPIENTS OF GENEROSITY

- **Giving to the Church** - The first priority for our giving
 - Luke 21:1-4 - Widow's Mite
 - 2 Cor 11:9 - ...brothers who came from Macedonia supplied my need.
 - Philippians 4:18 - I am well supplied, having received from Epaphroditus the gifts you sent...a sacrifice acceptable and pleasing to God.
- **Giving to the Needy**
 - Acts 4:32-36 - There was not a needy person among them for as many as were owners of lands or houses sold them and brought the proceeds of what was sold...and it was distributed to each as any had need.
 - Acts 6 - Distribution to the widows
 - James 1:27 - Widows and orphans
 - 1 Timothy 5:3,11,14,16 - Give with discernment and compassion, with discipleship in view.
- **Generosity Beyond and Outside of Need**

WHAT YOUR GIVING SUPPORTS AT GRACE CHURCH

- Missions
- Church Planting
- Internship Program
- Adoptions and Orphan Care
- Care for Widows and Single Parents
- Youth Ministry
- Children's Ministry

- Marriage Ministry
- Women's Ministry
- Men's Ministry
- Pastoral and Office staff
- Local Area Non-Profits*
- *vetted by our Deacon of City Outreach
- Etc, etc, etc...

GETTING PRACTICAL WITH GENEROSITY

- Prayerfully consider re-doing your budget to align your finances with the priorities and commands laid out in Scripture
 - Ask others to value-check you before you make decisions that will negatively impact your capacity and desire to give.
 - “Acquiring a possession may push me into redefining my priorities. If I buy a boat, I’ll want to justify my purchase by using the boat, which may mean frequent weekends away from my family or church, making me unavailable to attend my daughter’s basketball game or teach a Sunday school class or work in the nursery. *The problem isn’t the boat or television. The problem is me. It’s a law of life, the tyranny of things.*” – Randy Alcorn

GETTING PRACTICAL WITH GENEROSITY

- Prayerfully consider making your giving decisions as the first item in your budget (before savings and spending)
- Confess where you are not generous and ask for help - don't allow matters of financial temptation and struggle to be taboo in your small group life.
- Align your *giving* with God's priorities as laid out Scripture.
- Sign up for one of the Biblical Money Management classes or Personal Financial Coaching through the Financial Discipleship Team.

GIVING AS STEWARDSHIP

- Tax-Advantaged Giving
 - Appreciated capital assets...(stock, real estate, bonds, etc.)
 - Donor Advised Fund (maximizing tax deduction advantages)
 - Company Match Programs
 - Qualified Charitable Distribution (optimizing required retirement distributions)
- Consider giving via online bill-pay
- Consider setting up recurring gifts through your bank or the church's giving site so you don't forget.

GROWING IN THE GRACE OF GIVING

- Baby Steps - remember our heart follows our hands.
- Set a goal, and watch God work as you transition from closed fist to open hand
 - “Giving is a sacrifice, and sometimes we will feel that sacrifice. God’s payoff is very real, but it comes at the “proper time” which may not be today or tomorrow but in eternity.” - Randy Alcorn
 - “If you measure the goodness of God by the amount of paradise he has presently delivered to you, you will come to doubt his goodness.”
- Paul David Tripp, Redeeming Money

A FINAL (REALLY IMPORTANT) THOUGHT

“The security of our hope doesn’t rest on our getting money matters right. Our hope is in this one thing: he has invaded our life by his grace and will not stop forgiving, transforming and empowering us until these things are no longer needed. And he will not lose us to money or to anything else.”

- Paul David Tripp, Redeeming Money

RESETTING YOUR MONEY MINDSET



SESSION 2: SPENDING INTENTIONALLY
- STEPHEN SCHUCH

MAJOR COMPONENT #1 OF SPENDING MONEY WELL:

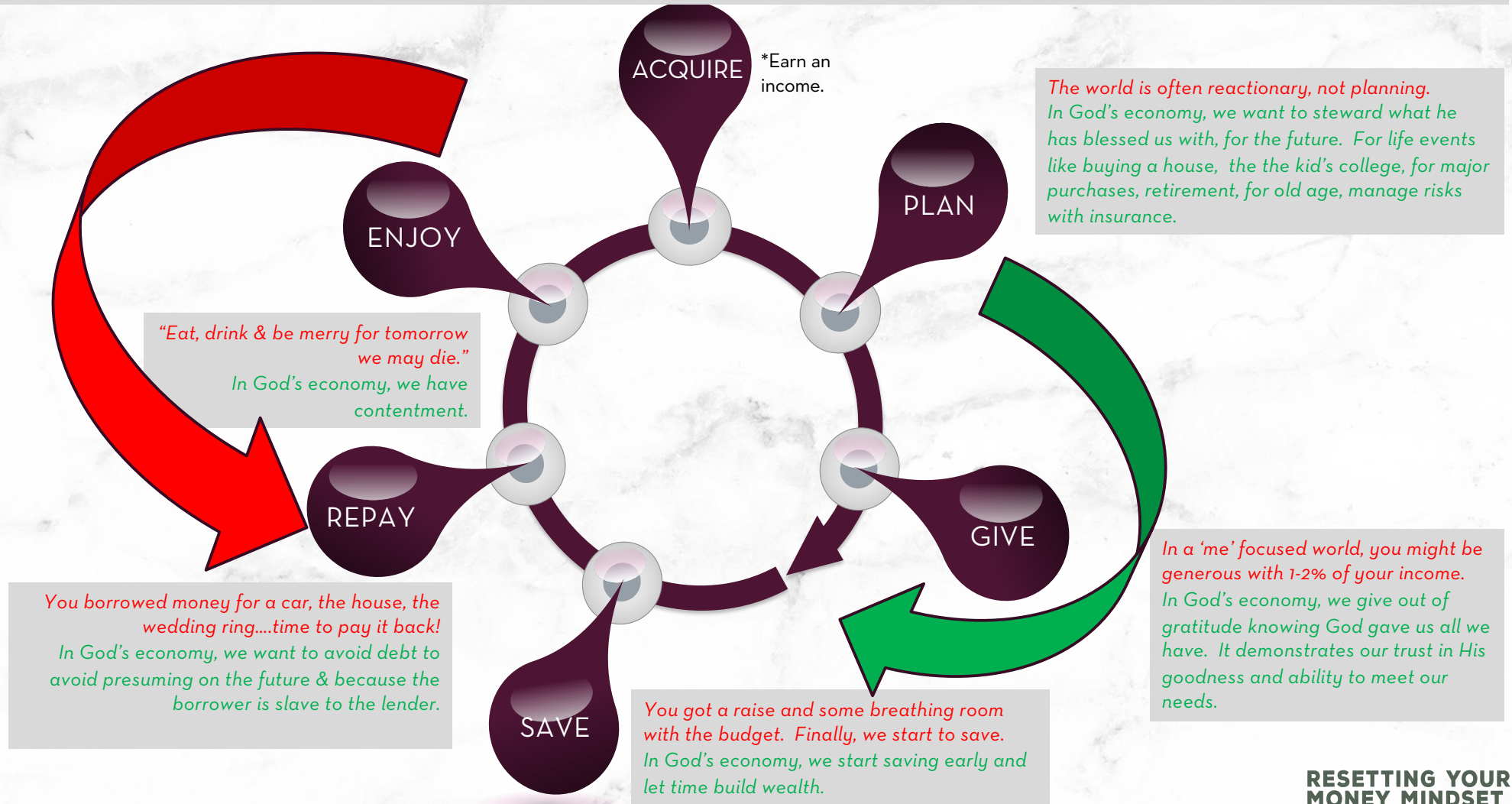
PUT GOD FIRST

**RESETTING YOUR
MONEY MINDSET**

WHERE ARE OUR DESIRES?

Mark 4:19 - *But the worries of this life, the deceitfulness of wealth, and the desires for other things come in and choke the word, making it unfruitful.*

THE WORLD'S CYCLE OF \$ MANAGEMENT VS. GOD'S CYCLE OF \$ MANAGEMENT



RESETTING YOUR MONEY MINDSET

MAJOR COMPONENT #2 OF SPENDING MONEY WELL:

*MAKE AND LIVE BY A
WRITTEN FINANCIAL
PLAN*

**RESETTING YOUR
MONEY MINDSET**

BUDGETING PRINCIPLES

Priority #1 - Decide in your heart what you are to give

- 2 Corinthians 9:7 "Each one must give as he has decided in his heart, not reluctantly or under compulsion, for God loves a cheerful giver."
- Counter to what the world does, this is giving with intentionality according to purpose.

Priority #2 - Establish a basic emergency fund

- Most people can't survive a \$400 surprise expense.
- Set aside \$500-\$1000 as a starter emergency fund.
- Emergency fund helps avoid debt when something unexpected happens.
- Knowing you have a financial cushion will reduce financial stress.

BUDGETING PRINCIPLES - CONT'D

Priority #3 - Capture the employer match on your 401(k)

- If your employer offers a match, contribute at least enough to secure the full match; It's free money that will compound for decades.
- This plodding, consistent approach builds wealth by getting in the habit of regular long-term saving and investing.

Priority #4 - Eliminate Toxic Debt

- Credit card debt, personal and payday loans, title loans and rent-to-own payment all carry interest rates so high that you end up repaying multiple times more than what you borrowed.
- “Snowball” these and attack them with intensity to remove the anchor from around your neck.

BUDGETING PRINCIPLES - CONT'D

Priority #5 - Save and invest for retirement

- Aim to save 15% of your gross income; that includes your company match, if there is one, then try to increase from there once other items are met
- Consider funding a Roth individual retirement account; for multiple advantages alongside a 401(k).

Priority #6 - Add to your emergency fund

- Grow it to 3-6 months worth of living expenses.
- Only a job loss or a major medical setback are emergencies; only unpredictable events.

BUDGETING PRINCIPLES - CONT'D

Priority #7 - Prepay other debts

- If you've already paid off your most toxic debt, what's left is possibly lower-rate, perhaps tax-deductible debt (such as your mortgage). Consider advance paying these after toxic debt is gone.
- Any wiggle room you have here comes from the money available for wants or from saving on your necessities, not your emergency fund and retirement savings.

STEPS TO CREATING A BUDGET

Step #1 - Gather Your Financial Paperwork and get in on paper, in an app, or in a spreadsheet

- You want to have access to any information about your income and expenses.
- Mint.com or another application, excel spreadsheet are two of the most common ways to track

Step #2 - Allocate Giving, Investing, Taxes

Step #3 - Calculate Your Net Income

- This is your gross income minus Giving, Investing, Taxes
- If you have a variable income (for example, from a seasonal or freelance job), consider using the income from your lowest-earning month.

STEPS TO CREATING A BUDGET - CONT'D

Step #4 - Create a List of Monthly Expenses

- Write down a list of all the expenses you expect to have during a month. This list could include:
 - Giving: church tithes, offerings, charities*
 - Investing/Savings*
 - Mortgage payments or rent
 - Car payments (snowball)
 - Insurance
 - Groceries
 - Utilities
 - Entertainment
 - Personal care
 - Dining out, delivery in
 - Transportation costs
 - Travel
 - Student loans (snowball)

*These should be allocated in Step #2, but could also be supplemented and/or tracked with your monthly expenses.

STEPS TO CREATING A BUDGET - CONT'D

Step #5 - Determine Fixed and Variable Expenses

- One of the keys to the budget-making process is to create a monthly average.
- Fixed expenses are those mandatory expenses that you pay the same amount for each time. Include items like mortgage or rent payments, car payments, phone, and internet service.
- If you plan to save a fixed amount or pay off a certain amount of debt each month, also include savings and debt repayment as fixed expenses.
- If you don't have an emergency fund create a budget for that as well.
- Start assigning a spending value to each category, beginning with your fixed expenses. Then, estimate how much you'll need to spend per month on variable expenses.
- If you're not sure how much you spend in each category, review your last two or three months of credit card or bank transactions to make a rough estimate.

STEPS TO CREATING A BUDGET - CONT'D

Step #6 - Total Your Monthly Income and Expenses

- If your income is higher than your expenses, you are off to a good start. This extra money means you can put funds towards areas of your budget, such as retirement savings or paying off debt.
- If your expenses are more than your income, that means you are overspending and need to make some changes.

Step #7 - Make Adjustments to Expenses

- If you're in a situation where expenses are higher than income, find areas in your variable expenses you can cut. Look for places you can reduce your spending—like eating out less—or eliminate a category—like canceling your gym membership.
- If your expenses are far above your income, or you have significant debt, reducing your variable expenses may not be enough. You may need to trim your fixed expenses and increase your income to balance your budget.

BUDGETING TIPS

- If you work on commission, be aggressive in saving to help cover periods when the market is slow.
- If you have cash flow issues because you are paid only once a month, divide that payment by weeks, and keep the cash you planned to spend in remaining weeks in a separate account until you need it.
- Pay with a credit card only if you will have the money to pay it off at the end of the month.
- Consider a 3-6 month evaluation period to see if you find you overestimated or underestimated your expenses and adjust accordingly. Keep an eye on large expenses that only occur every few months, such as insurance payments.

BUDGETING TIPS CONT'D

- If you tend to overspend in certain categories, use tricks such as switching to a cash-only budget.
- Once your expenses are lower than your income, increase giving and savings goals rather than increasing your spending.
- Take time to learn other financial skills to improve your financial literacy and make your money work harder for you.
- Remember your budget is supposed to be your slave, not your master.

CLOSING THOUGHT

1 TIMOTHY 6:17-19 - Command those who are rich in this present world to not be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God who richly provides us with everything for our enjoyment. Command them to do good, to be rich in good deeds, and to be generous and willing to share. In this way they will lay up treasure for themselves as a firm foundation for the coming age, so that they may take hold of the life that is truly life.

RESETTING YOUR MONEY MINDSET



SESSION 3: SAVING AND INVESTING WISELY
- BRAD ELLEDGE

PROVERBS 21:5, 20

“5 The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty.”

“20 The wise man saves for the future, but the foolish man spend whatever he gets.”



MATTHEW 25:14-30

The *Parable of the Talents*

*“For it will be like a man going on a journey, who called his servants and entrusted to them his property. To one he gave five **talents**, to another two, to another one, to each according to his ability. Then he went away. He who had received the five **talents** went at once and traded with them, and he made five **talents** more.*

**RESETTING YOUR
MONEY MINDSET**

BUILD ROOM FOR ERROR!

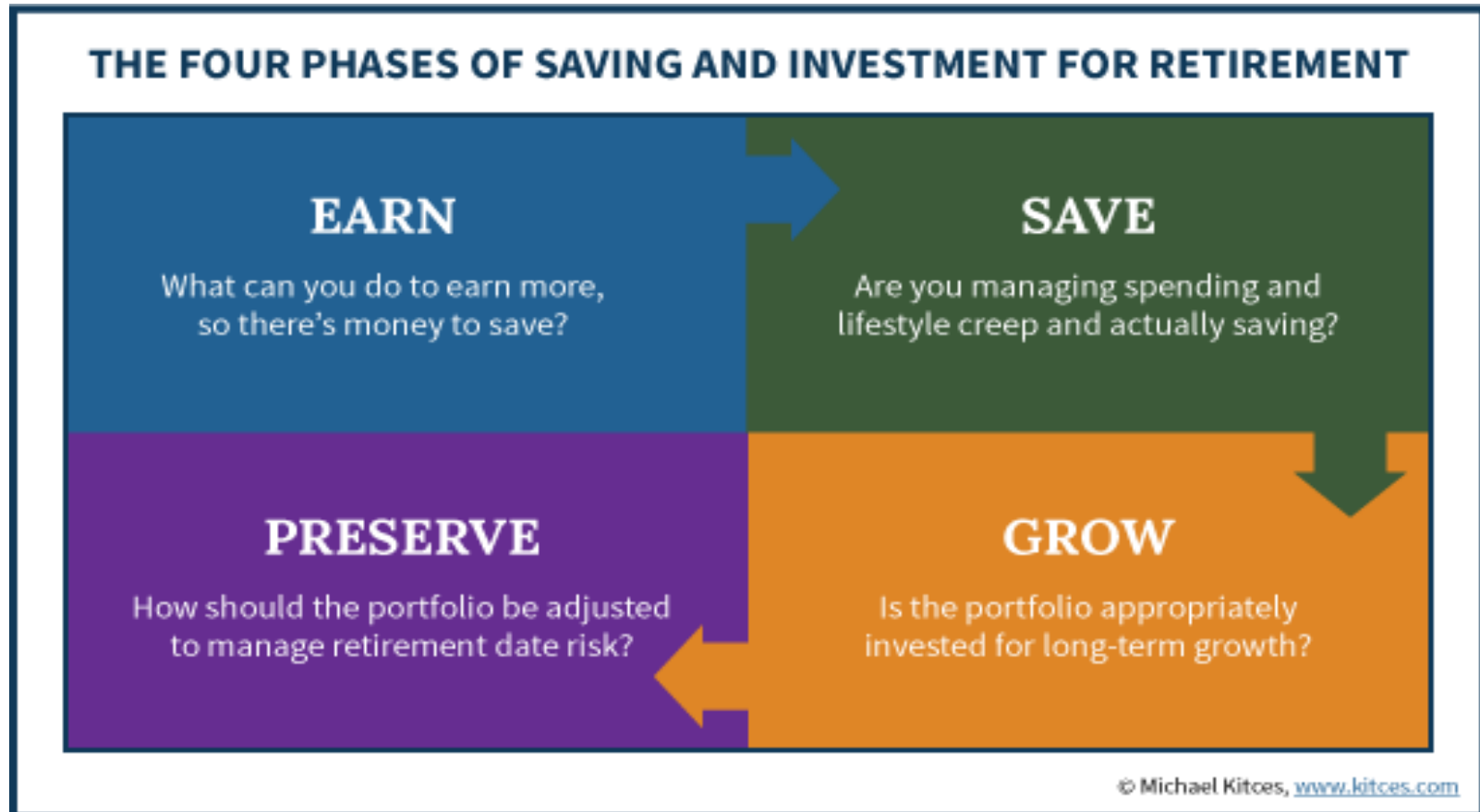
- As Stanford Professor Scott Sagan says...

“Things that have never happened before, happen all the time.”

- Morgan Housel advice:

“The most important part of every plan is planning on your plan not going according to plan. You have to allow room for error.”

FOUR STAGES OF SAVING



**RESETTING YOUR
MONEY MINDSET**

YOU CAN MULTIPLY RESOURCES AS YOU STEWARD

Do not save what is left after spending, but spend what is left after saving.

--Warren Buffet

“Compound interest is the eighth wonder of the world. He who understands it, earns it ... he who doesn't, pays it.”

— Albert Einstein

RESETTING YOUR
MONEY MINDSET

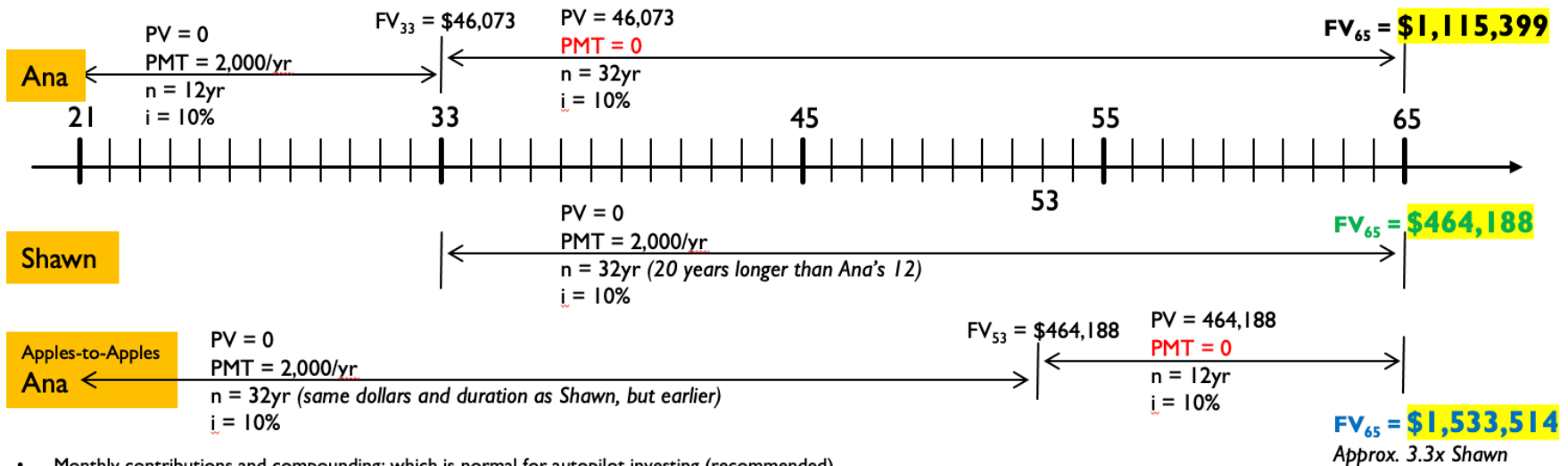


**SAVE
EARLY
SAVE
OFTEN**

The Power of Early-Start Compounding

Ana & Shawn's Journey

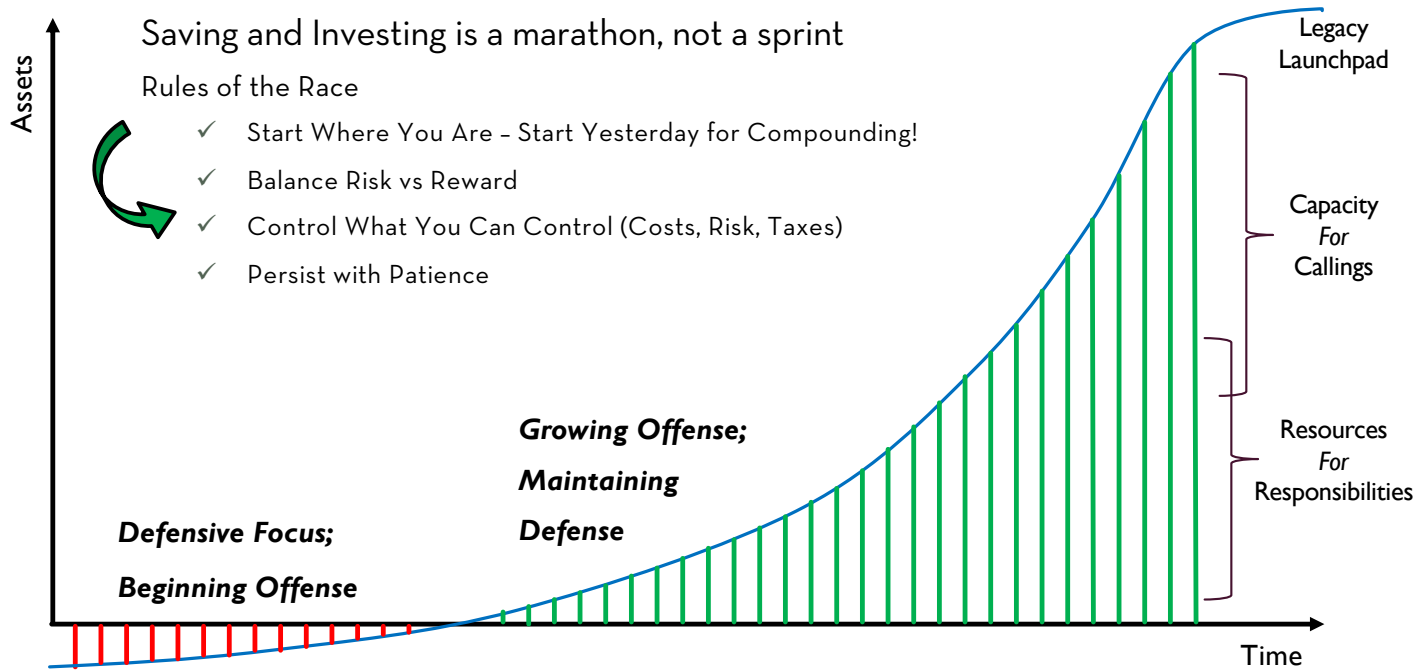
- Ana and Shawn are twins; both recently started jobs at age 21
- Ana begin saving \$2,000/yr in her 401(k), and continued this for 12 years (\$24K), earning 10% annual returns
- Shawn waited 12 years, then saved \$2,000/yr in his 401(k) from age 33 to 65 (\$64K), also earning 10% returns



- Monthly contributions and compounding; which is normal for autopilot investing (recommended)
- 10% return is aggressive; 7% is more realistic for planning; that with 3% inflation → approx. 4% growth in buying power
- Example excludes turbo-charge from employer's 401(k) match; compounding early-match increases Ana's advantage significantly
- ✓ Anna and Shawn should contribute more than \$2K/yr to ensure capturing the entire employer match; then increase amount from there as pay raises occur – controlling “lifestyle creep” allows room to increase giving and investing levels as income increases

Shawn's slow start cost him over \$1M of “Capacity to do good” at age 65
 (for \$167/mo self denial; really, Shawn, really?)

THE LONG GAME MINDSET



Play Defense

- Spend < Earn (all life phases)
- Establish Emergency Fund (SRA)
- Eradicate and Avoid Debt
- Insure Prudently (Xfer Risk)
- Manage Costs and Taxes

Play Offense

- Industrious Income Earning
- Generous Giving (all life phases)
- Saving (at an Increasing Rate)
- Investing (with Appropriate Allocation)
- Guiding Children and Grandchildren

Industriousness and Generosity
are Lifetime Callings

WHERE TO PARK YOUR \$ FOR SAVINGS

- Cash, Savings Bonds, piggy banks, hidden spots
- Bank Checking and Savings Accounts
- Money Market Funds and C.D.'s
- Government Bonds: Savings, Notes, Bills and Treasuries

Brad's Easy Peasy suggestion:

- Open an account with Fidelity, Schwab, Vanguard or any of the larger brokerage houses.
- They have robust on-line sites that make it easy for you to move your money around and park it in the highest paying vehicle consistent with your time frame for use. They also have local offices.
- You can easily send money out of your cash balance to your regular savings or checking accounts.
- These brokerages also have tons of free tools with which to evaluate investment options, check portfolio performance, etc.

DECEMBER
2022

VOLUME 33 • NUMBER 12

SoundMindInvesting®

Financial Wisdom for Living Well

WWW.SOUNDMINDINVESTING.COM

Your 10 Most Important Financial Moves for 2023

Each December, SMI offers a round-up of planning suggestions for the year ahead. Rather than provide a narrowly focused list, we serve up a broad range of ideas. Pick your personal "Top 10 for 2023" from the many suggestions below. As you implement your Top 10, you'll become a better steward of your resources and move closer to your long-term goals. No matter what may happen in the economy and the markets in 2023, you can make it a year of financial progress—if you will plan and act.

by Joseph Slife

In SMI's January 2022 cover article, we noted that "winds of change were blowing" and therefore we were "casting a wary eye on 2022." We're not prophets but it didn't take a seer to see the broad outlines of what was shaping up.

Inflation was gaining steam and the Federal Reserve, in an attempt to restrain inflation, seemed likely to implement a series of significant interest-rate hikes even as the economy was already starting to weaken.

We believed rising rates combined with slowing growth would significantly impede the stock market, perhaps even leading to a sustained bear market. Although the market was at record highs as we entered 2022 and many observers were predicting more good times ahead, SMI characterized the conditions as the "most potentially dangerous market setup in years."

As the months passed, events unfolded much as we anticipated. A bear market came and stayed, punctuated by strong bear-market rallies that repeatedly raised and dashed investor hopes. The Fed's multiple rate increases forced repricing across various asset classes, putting an especially deep dent in bond returns and upending traditional stock/bond portfolios.

While a full-blown recession hasn't yet materialized, the likelihood of one in the months ahead seems strong.

Throughout 2022, SMI has sought to help you face the market upheaval calmly and rationally, providing cover articles such as "Market Risks Rise as Fed Joins Battle Against Inflation" (May), "Facing Your Fears: Modeling the Impact of a Significant Bear Market on Your Financial Plan" (June), and "How to Avoid Panic and Reduce Fear" (October).

But our larger goal is to help you always keep your eyes on what is most important, not just on your investments. As we note on the cover of each issue: "For God has not given us a spirit of fear, but of power, and of love, and of a sound mind." We believe the Creator of all that exists bestows on each follower of Christ what is needed to live a confident, loving, well-ordered life.

The markets may go up and down. The economy may ebb and flow. One political party may gain power, then another. But "Jesus Christ is the same yesterday and today and forever" (Hebrews 13:8). By looking to him, the "author and finisher of our faith," we can "run with en- (continued on page 179)

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"FOR GOD HAS NOT GIVEN US THE SPIRIT OF FEAR BUT OF POWER, AND OF LOVE, AND OF A SOUND MIND."

OVER 100,000 COPIES SOLD

THE SOUND MIND INVESTING HANDBOOK



A step-by-step guide to managing your money from a biblical perspective

AUSTIN PRYOR

WITH MARK BILLER

UPDATED SEVENTH EDITION

RESETTING YOUR MONEY MINDSET

I HAVE BECOME CONVINCED THAT IT IS ULTIMATELY IMPOSSIBLE TO SELF-DESTRUCT FINANCIALLY IF YOUR DECISION-MAKING IS POINTED IN THE DIRECTION OF GOD'S GLORY.

--AUSTIN PRYOR, FOUNDER, SOUND MIND INVESTING

- Investing involves putting your money to work, subject to modest levels of risk, in a commercial undertaking where you *expect a reasonable return over a long period of time: 3%-5% above the rate of inflation.*
- Investing isn't about getting rich quick. It is about growing wealth over a long period of time, so that you can (1) provide for future needs (such as college and retirement), and (2) have more resources to give to support the Lord's work.

THE WISDOM OF SOLOMON

“Steady plodding brings prosperity; hasty speculation brings poverty.”

--Proverbs 21:5

“Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth.”

--Ecclesiastes 11:2

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The
Psychology
of
Money



TIMELESS LESSONS ON WEALTH, GREED,
AND HAPPINESS

MORGAN HOUSEL

"One of the best and most original finance books in years."

—JASON ZWEIG
Wall Street Journal

Hh



"My favorite Wikipedia entry begins: "Ronald James Read was an American philanthropist, investor, janitor and gas station attendant."

**RESETTING YOUR
MONEY MINDSET**

MORGAN HOUSEL - "PSYCHOLOGY OF MONEY"

- *"Few topics offer a more powerful magnifying glass that helps explain why people behave the way they do than money. It is one of the greatest shows on Earth."*
- *"Wealth is what you don't see: it's the cars not bought, the fancy dinners and vacations not taken, the money not spent on stuff. "*
- *Your psychology of money rules how you behave with money. Example: your personal experience with life and finance is a very small slice of reality but it rules 80% of how you deal with money.*

FAITHFULNESS IN PRUDENT INVESTING

... As debt elimination progresses, move defense → offense; *saving* is first step to investing !

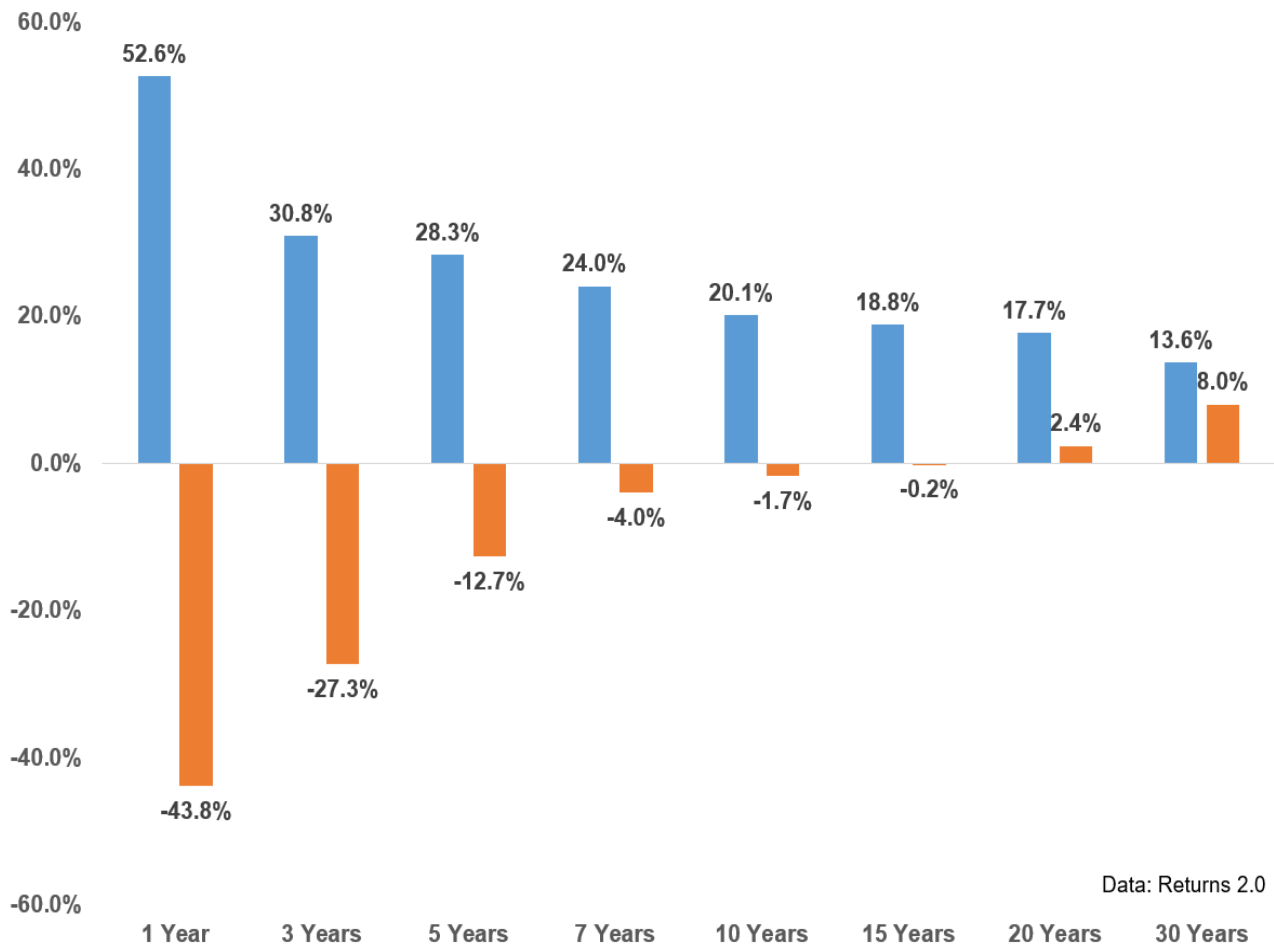
- *Purpose: create capacity to serve others, family, self.*
- Overriding Principles:
 - You've got to be in it to win it: ignore short term cycles, political news, etc. If you bail when it gets rocky, you lose. Stay invested.
 - You are playing the long game in investing, utilizing the historic returns over the long-term to your benefit (tortoise vs the hare).
 - Be self-aware: If you don't have specific investment expertise or a trusted advisor, consider keeping it simple by using a foundation of low-cost index, mutual funds, and ETF's.
- *Time is your friend! Start yesterday.*

*WHY
SHOULD
YOU BE IN
THE STOCK
MARKET?*

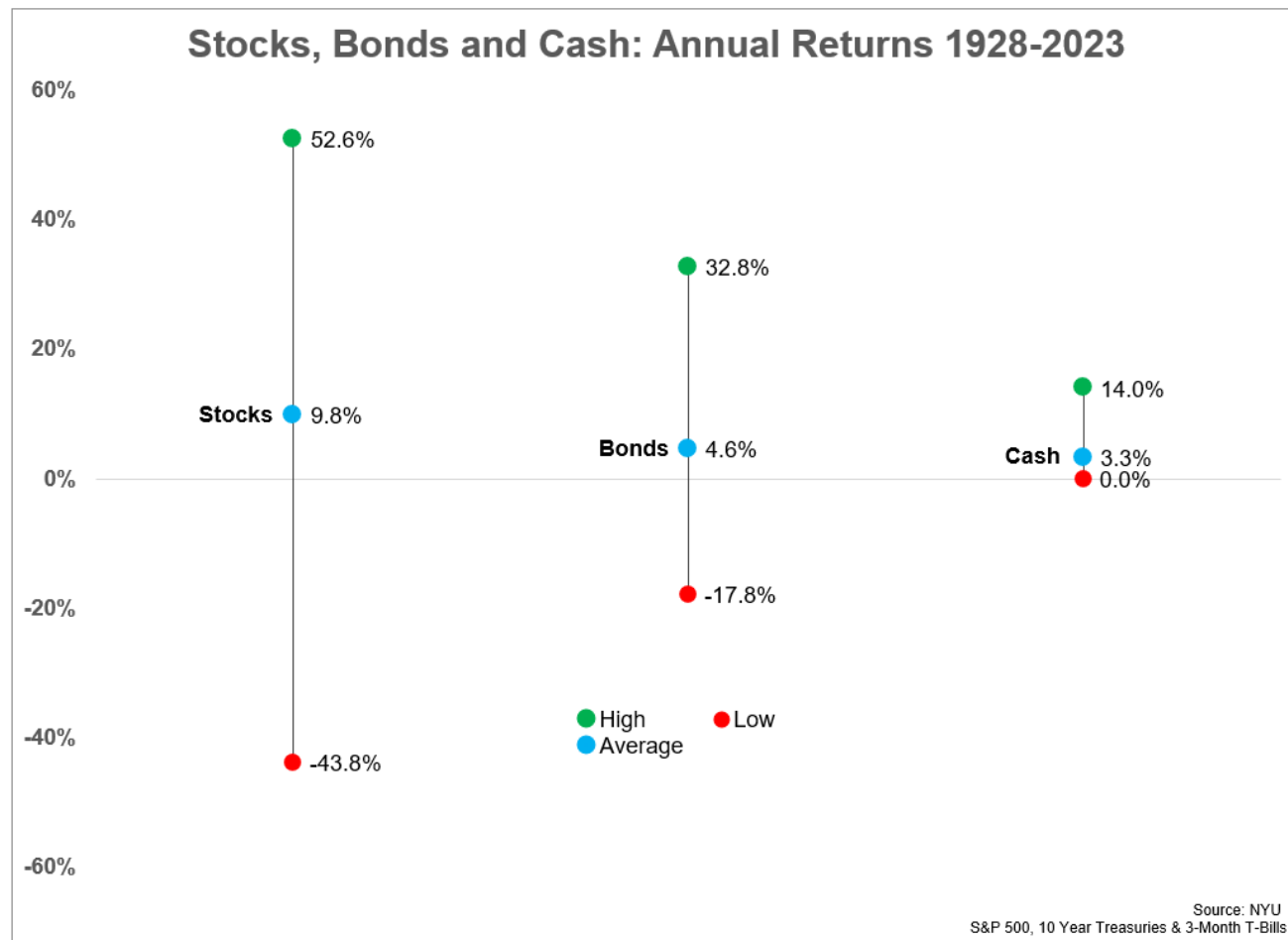
*IT'S JUST
TOO
VOLATILE!*

**RESETTING YOUR
MONEY MINDSET**

S&P 500 Best & Worst Returns: 1926-2022



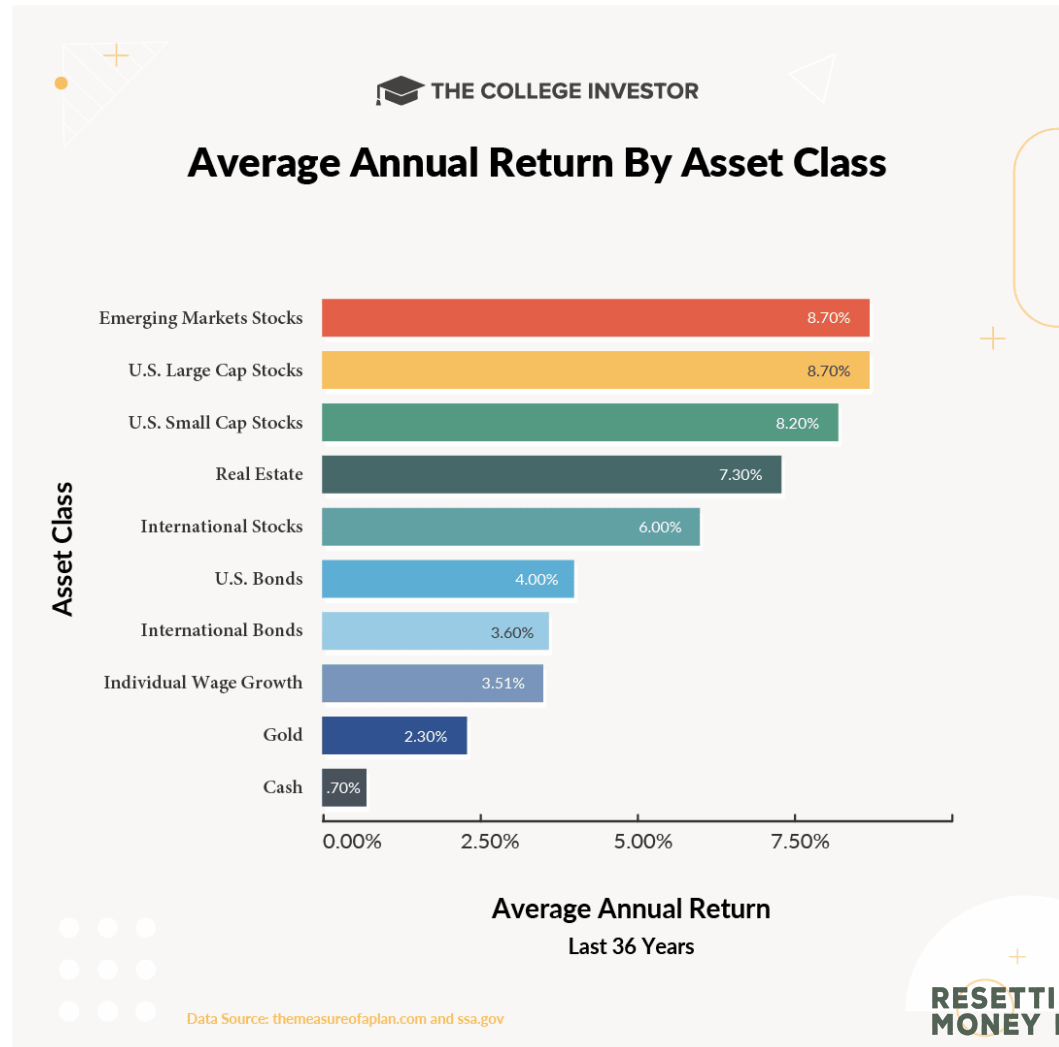
THESE ARE THE ANNUAL RETURNS FOR U.S. STOCKS, BONDS, CASH AND COMMODITIES:



RESETTING YOUR MONEY MINDSET

*AND ANOTHER LOOK
AT NOMINAL
ANNUAL RETURN
RATES BY A WIDER
SELECTION OF ASSET
CLASSES:*

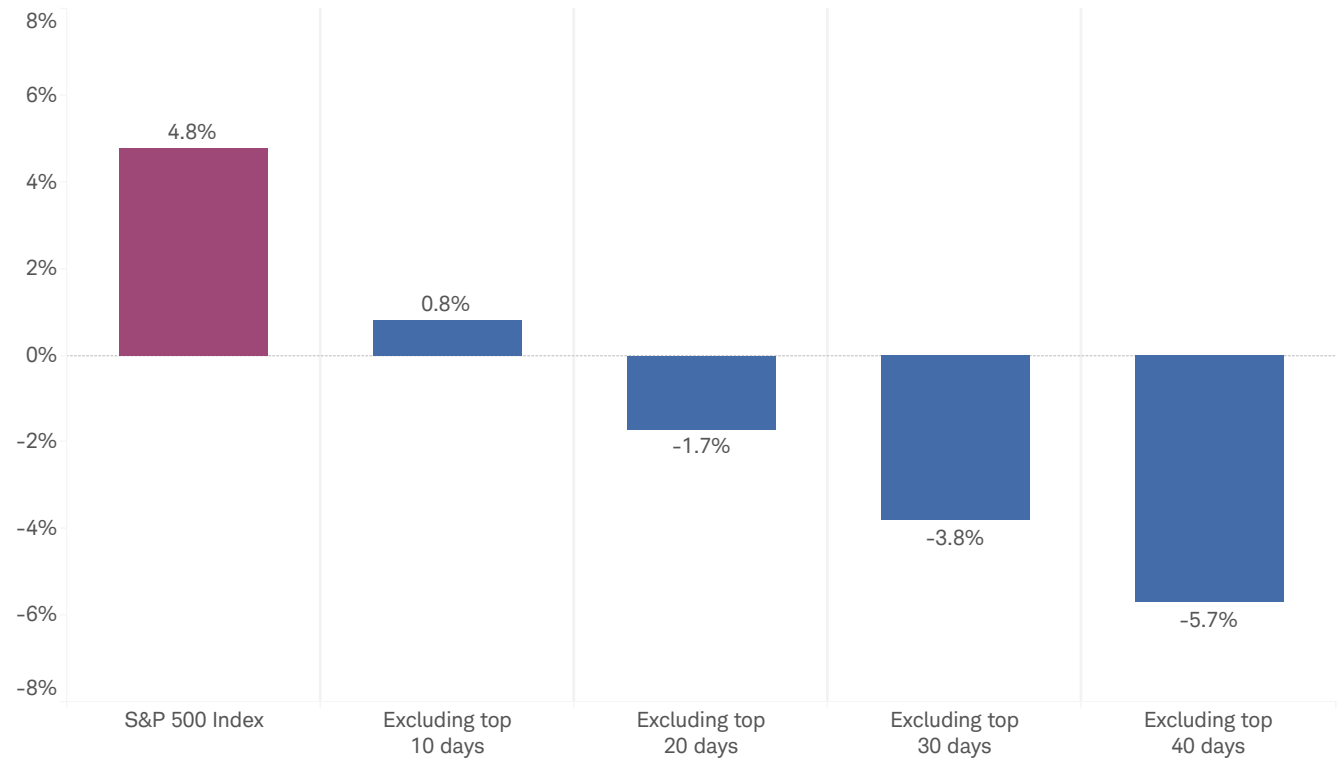
*STOCKS WIN THE
RACE!*



*You've got
to be in it
to win it!*

Time in the market is more important than timing the market

Index annualized total return (April 2000 - March 2020)



Source: Schwab Center for Financial Research with data provided by Standard and Poor's. Return data is annualized based on an average of 252 trading days within a calendar year. The year begins on the first trading day in January and ends on the last trading day of December, and daily total returns were used. Returns assume reinvestment of dividends. When out of the market, cash is not invested. Market returns are represented by the S&P 500® Index which represents an index of widely traded stocks (purple bar). Top days are defined as the best performing days of the S&P 500 during the twenty-year period. Indices are unmanaged, do not incur fees or expenses, and cannot be invested in directly. For more information, please see [Schwab.com/IndexDefinitions](https://www.schwab.com/IndexDefinitions). **Past performance is no guarantee of future results.**

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**RESETTING YOUR
MONEY MINDSET**

DIVERSIFY YOUR INVESTMENTS



“Divide your portion to seven, or even to eight, for you do not know what misfortune may occur on the earth”

- Ecclesiastes 11:2

The Callan Periodic Table of Investment Returns

Annual Returns for Key Indices Ranked in Order of Performance (2004–2023)

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Real Estate 37.96%	Emerging Market Equity 34.00%	Real Estate 42.12%	Emerging Market Equity 39.38%	U.S. Fixed Income 5.24%	Emerging Market Equity 78.51%	Small Cap Equity 26.85%	U.S. Fixed Income 7.84%	Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Cash Equivalent 1.87%	Large Cap Equity 31.49%	Small Cap Equity 19.96%	Large Cap Equity 28.71%	Cash Equivalent 1.46%	Large Cap Equity 26.29%
Emerging Market Equity 25.55%	Real Estate 15.35%	Emerging Market Equity 32.17%	Developed ex-U.S. Equity 12.44%	Global ex-U.S. Fixed 4.39%	High Yield 58.21%	Real Estate 19.63%	High Yield 4.98%	Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Developed ex-U.S. Equity 24.21%	U.S. Fixed Income 0.01%	Small Cap Equity 25.62%	Large Cap Equity 18.40%	Real Estate 26.09%	High Yield -11.19%	Developed ex-U.S. Equity 17.94%
Developed ex-U.S. Equity 20.38%	Developed ex-U.S. Equity 14.47%	Developed ex-U.S. Equity 25.71%	Global ex-U.S. Fixed 11.03%	Cash Equivalent 2.06%	Real Estate 37.13%	Emerging Market Equity 18.88%	Global ex-U.S. Fixed 4.36%	Developed ex-U.S. Equity 16.41%	Developed ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	High Yield -2.08%	Developed ex-U.S. Equity 22.49%	Emerging Market Equity 18.31%	Small Cap Equity 14.82%	U.S. Fixed Income -13.01%	Small Cap Equity 16.93%
Small Cap Equity 18.33%	Large Cap Equity 4.91%	Small Cap Equity 18.37%	U.S. Fixed Income 6.97%	High Yield -26.16%	Developed ex-U.S. Equity 33.67%	High Yield 15.12%	Large Cap Equity 2.11%	Large Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Global ex-U.S. Fixed -2.15%	Real Estate 21.91%	Global ex-U.S. Fixed 10.11%	Developed ex-U.S. Equity 12.62%	Developed ex-U.S. Equity -14.29%	High Yield 13.44%
Global ex-U.S. Fixed 12.54%	Small Cap Equity 4.55%	Large Cap Equity 15.39%	Large Cap Equity 5.49%	Small Cap Equity -33.79%	Small Cap Equity 27.17%	Large Cap Equity 15.06%	Cash Equivalent 0.10%	Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Developed ex-U.S. Equity -3.04%	Real Estate 4.06%	Global ex-U.S. Fixed 10.51%	Large Cap Equity -4.38%	Emerging Market Equity 18.44%	Developed ex-U.S. Equity 7.59%	High Yield 5.28%	Large Cap Equity -18.11%	Emerging Market Equity 9.83%
High Yield 11.13%	Cash Equivalent 3.07%	High Yield 11.85%	Cash Equivalent 5.00%	Large Cap Equity -37.00%	Large Cap Equity 26.47%	Developed ex-U.S. Equity 8.95%	Small Cap Equity -4.18%	High Yield 15.81%	Cash Equivalent 0.07%	Cash Equivalent 0.03%	Small Cap Equity -4.41%	Developed ex-U.S. Equity 2.75%	Real Estate 10.36%	Real Estate -5.63%	High Yield 14.32%	U.S. Fixed Income 7.51%	Cash Equivalent 0.05%	Global ex-U.S. Fixed -18.70%	Real Estate 9.67%
Large Cap Equity 10.88%	High Yield 2.74%	Global ex-U.S. Fixed 8.16%	High Yield 1.87%	Developed ex-U.S. Equity -43.56%	Global ex-U.S. Fixed 7.53%	U.S. Fixed Income 6.54%	Real Estate -6.46%	U.S. Fixed Income 4.21%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.65%	High Yield 7.50%	Small Cap Equity -11.01%	U.S. Fixed Income 8.72%	High Yield 7.11%	U.S. Fixed Income -1.54%	Emerging Market Equity -20.09%	Global ex-U.S. Fixed 5.72%
U.S. Fixed Income 4.34%	U.S. Fixed Income 2.43%	Cash Equivalent 4.85%	Small Cap Equity -1.57%	Real Estate -48.21%	U.S. Fixed Income 5.93%	Global ex-U.S. Fixed 4.95%	Developed ex-U.S. Equity -12.21%	Global ex-U.S. Fixed 4.09%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed -3.09%	Global ex-U.S. Fixed -6.02%	Global ex-U.S. Fixed 1.49%	U.S. Fixed Income 3.54%	Developed ex-U.S. Equity -14.09%	Global ex-U.S. Fixed 5.09%	Cash Equivalent 0.67%	Emerging Market Equity -2.54%	Small Cap Equity -20.44%	U.S. Fixed Income 5.53%
Cash Equivalent 1.33%	Global ex-U.S. Fixed -8.65%	U.S. Fixed Income 4.33%	Real Estate -7.39%	Emerging Market Equity -53.33%	Cash Equivalent 0.21%	Cash Equivalent 0.13%	Emerging Market Equity -18.42%	Cash Equivalent 0.11%	Global ex-U.S. Fixed -3.08%	Developed ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Cash Equivalent 0.33%	Cash Equivalent 0.86%	Emerging Market Equity -14.57%	Cash Equivalent 2.28%	Real Estate -9.04%	Global ex-U.S. Fixed -7.05%	Real Estate -25.10%	Cash Equivalent 5.01%

The Callan Periodic Table of Investment Returns conveys the strong **case for diversification** across asset classes (stocks vs. bonds), capitalizations (large vs. small), and equity markets (U.S. vs. global ex-U.S.). The Table highlights the uncertainty inherent in all capital markets. Rankings change every year. Also noteworthy is the difference between absolute and relative performance, as returns for the top-performing asset class span a wide range over the past 20 years.

A printable copy of The Callan Periodic Table of Investment Returns is available on our website at callan.com/periodic-table.

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2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	10 Years
TIPS 13.3%	EM 19.1%	Small Cap 41.0%	REITs 30.4%	REITs 2.4%	Small Cap 26.6%	EM 37.3%	Cash 1.7%	Large Cap 31.2%	Large Cap 18.3%	Large Cap 13.8%
REITs 8.6%	Int'l Stocks 18.8%	Mid Cap 35.2%	Large Cap 13.5%	Large Cap 1.3%	Mid Cap 20.5%	Int'l Stocks 25.1%	Bonds 0.1%	REITs 28.9%	EM 17.0%	Small Cap 11.8%
Bonds 7.7%	REITs 17.6%	Large Cap 32.3%	Mid Cap 9.4%	Bonds 0.5%	Comdty 12.9%	Large Cap 21.7%	TIPS -1.4%	Mid Cap 25.8%	Mid Cap 13.5%	Mid Cap 11.2%
Large Cap 1.9%	Large Cap 16.0%	Int'l Stocks 21.4%	Bonds 6.0%	Cash -0.1%	Large Cap 12.0%	Mid Cap 15.9%	Large Cap -4.6%	Small Cap 22.6%	Small Cap 11.4%	REITs 8.7%
Small Cap 1.1%	Small Cap 15.7%	EW 10.7%	Small Cap 5.5%	Int'l Stocks -1.0%	EM 10.9%	Small Cap 13.1%	REITs -6.0%	Int'l Stocks 22.0%	TIPS 10.8%	EW 5.7%
Cash 0.0%	Mid Cap 15.2%	REITs 2.3%	EW 4.0%	TIPS -1.8%	EW 10.0%	EW 12.6%	EW -7.2%	EM 18.2%	EW 7.8%	Int'l Stocks 5.4%
EW -1.4%	EW 11.0%	Cash -0.1%	TIPS 3.6%	Small Cap -1.8%	REITs 8.6%	REITs 4.9%	Small Cap -8.6%	EW 17.5%	Int'l Stocks 7.6%	Bonds 3.7%
Mid Cap -1.5%	TIPS 6.4%	Bonds -2.0%	Cash -0.1%	Mid Cap -2.5%	TIPS 4.7%	Bonds 3.6%	Mid Cap -11.3%	Bonds 8.5%	Bonds 7.5%	TIPS 3.7%
Int'l Stocks -12.3%	Bonds 3.8%	EM -3.7%	EM -3.9%	EW -4.7%	Bonds 2.4%	TIPS 2.9%	Comdty -13.1%	TIPS 8.4%	Cash 0.4%	EM 2.9%
Comdty -14.0%	Cash 0.0%	TIPS -8.5%	Int'l Stocks -6.2%	EM -16.2%	Int'l Stocks 1.4%	Comdty 0.7%	Int'l Stocks -13.8%	Comdty 7.6%	Comdty -4.1%	Cash 0.5%
EM -18.8%	Comdty -2.1%	Comdty -11.1%	Comdty -18.6%	Comdty -28.2%	Cash 0.1%	Cash 0.7%	EM -15.3%	Cash 2.0%	REITs -4.6%	Comdty -7.8%

Funds: EEM, VNQ, MDY, SLY, SPY, EFA, TIP, AGG, DJP, BIL

THE LONG GAME MINDSET: YES, AGAIN, STILL...

- The stock market is a roller coaster – those who jump off/on typically get injured
- One patient tactic (not the only approach) is autopilot dollar-cost-averaging into index funds.
- What if millions of people around the world, when they get up in the morning and take a shower and go to work, with their strength, energy, and creativity – were working for you?

... this could be called the “don’t just do something, sit there!” strategy; couch potato investing ...



- The bond market jostles like bumper cars as business cycles and interest rates rise and fall. It tends to dampen the extremes of the stock market in your mix.

We can't know what the future holds, but as Christian investors we can know the One who holds the future. Our trust in the Lord is never misplaced.

*--Austin Pryor, founder
Sound Mind Investing*

RESETTING YOUR MONEY MINDSET

NEXT STEPS:

- DOWNLOAD THESE SLIDES AND ADDITIONAL RESOURCES AT:
 - Gracechurchfrisco.Org/moneymindsetresources
- SIGN UP FOR THE BIBLICAL MONEY MANAGEMENT 101 –
 - (Starts February 11th)
 - GraceChurchFrisco.org/moneymanagement
- PERSONAL COACHING AVAILABLE.
 - Interested? E-mail us at: FDT@GraceChurchFrisco.org

RESETTING YOUR MONEY MINDSET



THANKS FOR JOINING US!

ADDITIONAL RESOURCES

The following slides are additional resources attached here for your reference. Feel free to reach out to any of today's presenters if you have questions on what was presented or any of these additional materials.

FINANCIAL CHECKLIST

“Well done, good and faithful servant.” Jesus

Giving

- Recently studied, meditated, and praying about God’s generosity and my/our generosity
- Have a written “Generosity Plan” for my/our giving this year (recipients & amounts, spontaneous reserve)
- Committed to listening to the Spirit and journaling monthly as to clear or emerging guidance for action

Spending

- Have a written “Debt Elimination Plan” and have made a “New-Debt Avoidance Pledge” to myself/us
- Documented budget in-place for Q1 2021 with scheduled monthly reviews (actuals vs plan); then Q2,3,4
 - Budget has all items including defense (debt, insurances, etc.) and offense (giving and investing)

Investing

- Have a written 1-page investment policy statement (philosophy, approach, methods) and am committed to adhering to my/our plan through smooth and volatile economic/market conditions
- Utilizing available IRS tax-advantaged account types (Trad & Roth IRAs, HSAs, 401(k)s, etc.); & Brokerage
- Implemented Risk vs Time-Horizon asset allocations using core of low-cost passive indexed funds
- Automated new investment contributions, and have a schedule for rebalancing to planned allocations

House-In-Order

- Ownership Registration & Beneficiaries are up-to-date and correct for all accounts; including Banks, IRAs, 401(k)s, HSAs, Brokerages, Insurance Policies, Property Deeds, titles, etc.
- Spouse, executor, trustees have knowledge of, and appropriate legal access to all “Plans” and Accounts; Estate Documents (Wills, Trusts, Health & Financial POAs, Physicians’ Directives; etc.); safe deposit boxes

**RESETTING YOUR
MONEY MINDSET**

AN EXERCISE: THE MONEY COVENANT

- Consider which one (or a couple) of these might be a good commitment for you to make to the Lord as you engage what you've learned:
 - I affirm God's full ownership of me and of everything entrusted to me. I recognize that my money and possessions are, in fact, His. I will regularly ask Him what He wants me to do with His money.
 - I will set aside the firstfruits of all I receive, treating it as holy and belonging exclusively to the Lord. I will seek to prayerfully decide on a percentage or lump sum that I will give to the Lord, and to prayerfully submit that percentage/sum to the Lord again each time I re-evaluate my budget.
 - Out of the remaining treasures God entrusts to me, I will seek to make generous freewill gifts to the church and the needy both in and outside of the church as an ongoing expression of my desire to be fully submitted to the Lord in my finances and my belief in the reliability of His promises to reward Generosity "in His time".
 - I commit to take practical steps to avoid consumer debt, as I recognize it represents buying that for which I cannot pay and limits my ability to submit my daily and monthly financial decisions completely to the Lord.
 - Affirming that Heaven, not Earth, is my home, I commit to laying all assets before His feet, leaving nothing as untouchable, and asking Him to direct me how to best use each gift He's given me for His greater glory.
 - I commit to relying on the church family God has given me to help me remain faithful to these commitments by accountability and by pointing me to the grace of God who is my only hope to remain faithful.

Principle #1 - God is the Owner

- The earth is the LORD's, and everything in it, the world, and all who live in it. Psalm 24:1
- Yours, O Lord, is the greatness and the power and the glory and the victory and the majesty, for all that is in the heavens and in the earth is yours. Yours is the kingdom, O Lord, and you are exalted as head above all. 1 Chronicles 29:11
- In his hand is the life of every living thing and the breath of all mankind. Job 12:10

Principle #2 - God is in Control

- For everything comes from him and exists by his power and is intended for his glory. Romans 11:36
- God is able to make all grace abound to you, so that in all things at all times, having all that you need, you will abound in every good work. 2 Corinthians 9:8
- For the kingdom is the Lord's: and he is the governor among the nations. Psalm 21:28

Principle #3 - God is Our Provider

- Remember the LORD your God, for it is he who gives you the ability to produce wealth. Deuteronomy 8:18
- And my God will meet all your needs according to the riches of his glory in Christ Jesus. Philippians 4:19
- What do you have that you did not receive? 1 Cor. 4:7.

Principle #4 - Our Call is to Manage (Steward) What He Entrusts

- From everyone who has been given much, much will be required; and to whom they entrusted much, of him they will ask all the more. Luke 12:48
- ...honor the LORD with your wealth and with the best part of everything you produce. Proverbs 3:9
- So then each one of us will give an account of himself to God. Romans 14:12

Principle #5 - Our Measure is Faithfulness

- One who is faithful in a very little is also faithful in much, and one who is dishonest in a very little is also dishonest in much. Luke 16:10
- Now it is required that those who have been given a trust must prove faithful. 1 Corinthians 4:2

Principle #6 - Our Blessing is Growth, Order, and Fellowship

- Each of you should use whatever gift you have received to serve others, as faithful stewards of God's grace in its various forms. 1 Peter 4:10
- Command those who are rich in this world's goods not to be haughty or to set their hope on riches, which are uncertain, but on God who richly provides us with all things for our enjoyment. Tell them to do good, to be rich in good deeds, to be generous givers, sharing with others. In this way they will save up a treasure for themselves as a firm foundation for the future and so lay hold of what is truly life. 1 Timothy 6:17-20

ADDITIONAL RESOURCES

**RESETTING YOUR
MONEY MINDSET**

Principle #7 - Debt Is a Curse; Makes You a Slave

- The rich rule over the poor, and the borrower is slave to the lender. Proverbs 22:7
- Do not be among those who give pledges, among those who become guarantors for debts. If you have nothing with which to pay, why should he take your bed from under you? Proverbs 22:26-27
- He who is guarantor for a stranger will surely suffer for it, But he who hates being a guarantor is secure. Proverbs 11:15

Principle #8 - Honesty, Hard Work, and Wise Counsel Yield Fruit

- Poor is he who works with a negligent hand, but the hand of the diligent makes rich. Proverbs 10:4
- He who tills his land will have plenty of bread, but he who pursues worthless things lacks sense. Proverbs 12:11
- You shall have just balances, just weights, a just ephah, and a just hin; I am the LORD your God, who brought you out from the land of Egypt. Leviticus 19:36

Principle #9 - Planning, Saving, Investing Increases Capacity

- The plans of the diligent lead surely to abundance, but everyone who is hasty comes only to poverty. Proverbs 21:5
- Go to the ant, O sluggard, observe her ways and be wise. Which, having no chief, officer, or ruler, prepares her food in the summer and gathers her provision in the harvest. Proverbs 6:6-8

ADDITIONAL RESOURCES

**RESETTING YOUR
MONEY MINDSET**

Principle #10 - Generosity is the Other Bookend of Faithfulness

- In everything I showed you that by working hard in this manner you must help the weak and remember the words of the Lord Jesus, that He Himself said, 'It is more blessed to give than to receive.' Luke 20:35
- Each man should give what he has decided in his heart to give, not reluctantly or under compulsion, for God loves a cheerful giver. 2 Corinthians 9:7
- The generous will themselves be blessed, for they share their food with the poor. Proverbs 22:9

Money Myth - Your Financial Life is separate from Your Spiritual Life

- The artificial secular/spiritual divide, applied to money
- You are one person living one life; believing a 'divide' is an attempt at excuses

Money Myth - Prosperity (or Poverty) is the Direct Result of Spiritual Condition

- The "judge a book by its cover" mistake of looking on outward appearances
- Attributing oversimplified cause & effect to the circumstances of a person's life

Money Myth - Money is the Root of All Sorts of Evil

- 1 Tim 6:10 says "the love of money is a root of all sorts of evil"
- Beware the idols of our culture, and financial "success" is a prominent idol

Money Myth - I'm smart enough to take advantage of patterns in the stock market

- Decades of data show most people decrease returns by active trading, market timing
- Who is buying (selling) when you're selling (buying); why is your action wiser?

Other Myths -

"I don't have enough money to give ... to budget ... to invest ... to have a will ..."

"If I only had more money, I'd ..." (your behavior today predicts your behavior tomorrow)

ADDITIONAL RESOURCES

**RESETTING YOUR
MONEY MINDSET**

Money Pitfall – Not Giving

- Giving strengthens contentment and appropriate dependence on God
- Withholding might indicate submission to the wrong kingdom (wrong values)

Money Pitfall – Not Saving & Investing

- Planning and preparation for the future are acts of responsibility, increasing capacity

Money Pitfall – Relying on credit to fund living expenses

- Debt enslaves – why would you knowingly enter this relationship; why not get out now?
- Interest is a teeter-totter; don't be on the 'paying-interest' side of this exchange

Money Pitfall – Hiding behind laziness, disorder, sloppiness as trusting God

- God is a God of order; He has given us sound minds – minds to work under Spirit's lead

Other Pitfalls –

- Buying into cultural lies such as Premier College, Retirement from working, etc.
- Deferring giving and investing, instead of deferring gratification
- Confusing your net worth with your personal worth (identity in Christ)

ADDITIONAL RESOURCES

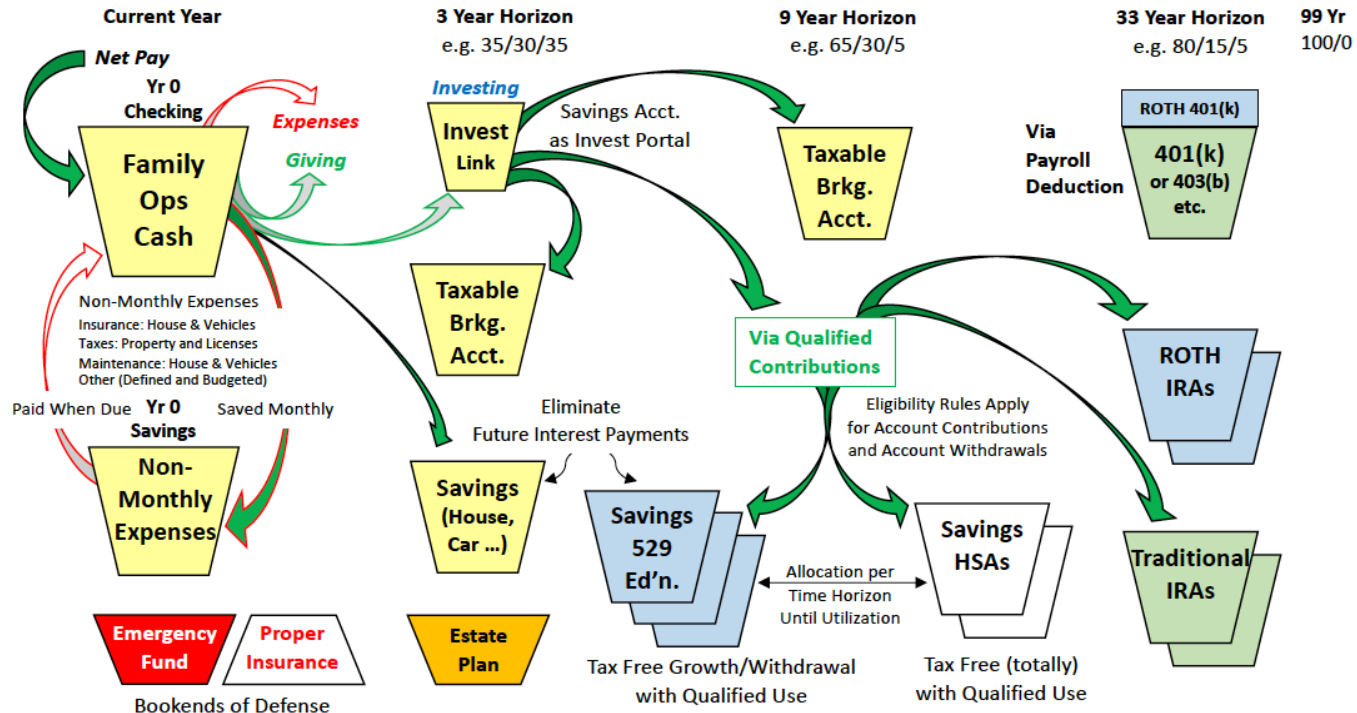
**RESETTING YOUR
MONEY MINDSET**

Spending, Giving, Investing

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Accounts by Risk Horizons and Tax Types (e.g. Allocations for ~ Middle-Age)

Currently Taxable	Revised 12/14/2022
Tax Deferred	
Tax Paid	

Green = AutoPilot Gray = Unscheduled



Notes:

1. Plan based on take-home pay, with income tax withholding approximately = taxes due
2. **Spending** should be intentional as pre-planned, with self-discipline to avoid lifestyle creep
3. **Giving** and **Investing** should be planned (regular/monthly) and unplanned (spontaneous/special)
4. IRS Qualified Accounts provide opportunities, with eligibility & rules based on age and income, etc.
5. Allocations to Stock/Bond/Cash (e.g. 65/30/5) illustrative only; very important to tailor to situation and to remaining time horizon

Social Security and Defined Benefit Pension (if any)
Pseudo-Bonds in Portfolio

ADDITIONAL RESOURCES

RESETTING YOUR MONEY MINDSET

ASSET TYPES (SUMMARY VIEW)

- Asset Classes: various instruments/securities available for investing
 - ❑ Stocks: USA, International (Developed, Emerging, Regional) represent partial ownership in the company; a claim on future \$ streams
 - ❑ Bonds: USA (Corp, Gov), International represent you lending \$ to an entity
 - ❑ Cash represents liquid assets (e.g. savings acct., money-market, CDs, etc.)
 - ❑ Real Estate represents properties owned outright or via pools (e.g. REITs)
 - ❑ ... and Commodities, Alternatives, Metals ... other forms of specialty types

- ❑ Mutual Fund: A large bucket of one or more of the above in which you can purchase a sliver of ownership (e.g. purchasing 10 shares of a mutual fund which owns 500 stocks means you own a tiny fraction of all 500 companies)
 - ✓ Mutual Funds provide a mechanism for smaller investors to diversify assets efficiently
 - ✓ Many types of mutual funds exist - the primary categorization is Active vs Passive (Index)

- ❑ ETF (Exchange Traded Fund): A large bucket of (typically) one of the asset classes above, generally constructed on an index, and able to be traded during the day; thus providing diversification, cost efficiency and flexibility
 - ✓ ETFs exist in many types, allowing investors to focus on market sectors or other filters
(realize that as you focus/specialize you are choosing to reduce your diversification)