

Leader's Guide to

LESSON 3

PROSPERITY— A BALANCED PERSPECTIVE

NOTE TO NEW LEADERS

You can download the Leader's Guide from the website www.EveryManAWarrior.com to make it easier to follow while leading the lesson. It is important to follow the Leader's Guide in leading the lesson. While some items are the same each week, others are special, one-time instructions that will negatively impact the study if missed. These items are marked with a star. ★

PROSPERITY— A BALANCED PERSPECTIVE

- ✓ Break into pairs and recite all your verses to each other.
- ✓ Sign off on the *Completion Record*.
- ✓ Ask someone to open the session with prayer.
- ★✓ Ask the men if they remembered to use the suggested Scripture on money from the assignment for their *Quiet Times*. Encourage them to use these passages to help them develop a greater understanding of the topic.
- ✓ Begin reading the lesson paragraph by paragraph.
- ✓ Page 32: Ask one person to read each verse in the section, *What Determines Prosperity* and then share his title.
- ✓ Pages 32–38: Ask each of the questions on these pages. Depending on time, have two to four people give their answer. Try to include everyone.
- ✓ Page 33: Ask each man to read his summary on money.
- ✓ Pages 34–37: Read the *Four Principles for Investing*. Ask them, "What did you learn?" or "What are your thoughts?" after each principle.



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- ✓ Page 37: Read the *Possible Applications*, the *Points to Remember* and the *Financial Principle*. Ask for questions or comments.
- ✓ Page 38: Read the *Assignment* and *Special Note*.
- ✓ Page 38: Place Ecclesiastes 11:2 in the front window of your *EMAW Verse Pack* and memorize it this week.
- ✓ End the group in prayer using the *WAR* method.

PROSPERITY— A BALANCED PERSPECTIVE



Everyone wishes they had more money. Some churches make God blessing your finances a major theme. Some teachers say that God is obligated to bless you if a certain formula of giving and faith is applied. *Is this really what the Bible teaches on money and how to get ahead financially?*

With over 2,000 references to money in the Scriptures, the Bible has a lot more to say about finances than just the topics of giving, faith, or trusting God. These themes are scriptural, but let's go deeper and see what else the Bible says about prosperity and wise money management.

WHAT DETERMINES PROSPERITY

- ✓ Look up the verses listed on the left. Draw a line from the verse to the proper title or description on the right side. *Use an NIV Bible if possible.*

Verse

Proverbs 22:7
 Proverbs 21:17
 Proverbs 14:23
 Proverbs 27:23
 Proverbs 23:20-21
 Ecclesiastes 11:1-2,6
 Proverbs 3:9-10; 11:24-25
 Proverbs 21:5; 14:8

Title or Description

Plan Well
 Avoid Debt
 Manage Your Assets
 Be Diversified
 Don't Live Extravagantly
 Stay Out of Sinful Behavior
 Give Generously
 Work Hard

The Bible teaches that many factors determine whether or not you will financially succeed. The Christians I know who do well financially give generously and trust God. But they also manage their money well, work hard, avoid debt, and live more modestly than they have to. *Giving attention to all these areas allows you to prosper. Each is important.*

- ✓ Choose your favorite three verses from the previous exercise. Meditate on each and jot down your thoughts on money.

Verse 1: _____ Thoughts:

Verse 2: _____ Thoughts:

Verse 3: _____ Thoughts:

- ✓ Meditate on the following verses and answer this question: As a Christian, what should be our goal with money?

Luke 16:9-13

Hebrews 13:5

1 Timothy 5:8

1 Timothy 6:6-11

1 Timothy 6:17-19

- ✓ *Review all the verses on pages 32-33. Write a summary on what you have learned about money. Be prepared to share with the group.*

FOUR PRINCIPLES FOR INVESTING

It is the responsibility of every man to provide for his family (see 1 Timothy 5:8). God created us to do this, and there is a certain satisfaction in meeting this challenge and succeeding. In the next few pages we are going to examine a few financial principles that can help you succeed. “The plans of the diligent lead to profit as surely as haste leads to poverty” (Proverbs 21:5).

The following pages have more to do with our long-term goals, such as saving for college or retirement. We all need to plan for the future. Many people use the stock market or mutual funds to accomplish this. To invest in the stock market you need to have a seven to ten-year perspective. If you may need to access this money before that time, use another investment option.

PRINCIPLE 1: GET STARTED AS SOON AS POSSIBLE

Get Started: The first lesson in growing wealth is to get started as soon as possible. For example: What will I need to save each month with a 12 percent return on investment, in order to have a \$200,000 retirement fund at age sixty-five?

He who gathers money little by little makes it grow.

—Proverbs 13:11

If you start at:

- Age 25—\$21.72 per month
- Age 35—\$69.09 per month
- Age 45—\$231.30 per month
- Age 55—\$949.78 per month

It is easier to do if you get started early!

- ✓ Discuss as a group.

PRINCIPLE 2: THE RULE OF 72

The Rule of 72: Take 72 divided by the interest rate to see how long it takes for your money to double.

EXAMPLE:

At 8%, 72 divided by 8 = 9 years to double your money

At 12%, 72 divided by 12 = 6 years to double your money.

Question: If you have \$5,000 in an IRA at 8 or 12 percent, how much will it grow to in 36 years?

At 8% your money doubles every 9 years:

Start	Year 9	Year 18	Year 27	Year 36
I-----I-----I-----I-----I				
\$5,000	10,000	20,000	40,000	80,000

At 12% your money doubles every 6 years:

Start	Year 6	Year 12	Year 18	Year 24	Year 30	Year 36
I-----I-----I-----I-----I-----I-----I						
\$5,000	10,000	20,000	40,000	80,000	160,000	320,000

This illustration shows the reward of having long-term investments in higher-yielding investment vehicles. A 12 percent return on investment from a mutual fund seemed low in the 1980s and 1990s. With the recent crash in the stock market, it seems high. This is why a seven to ten year or longer perspective is essential for stock market investments.

✓ Discuss as a group.

PRINCIPLE 3: DOLLAR COST AVERAGING

Dollar cost averaging is a system of putting a set amount, say \$250, each month into a fluctuating investment such as a stock or mutual fund. As the price per share goes up and down, you will always buy more shares when

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the stock is lower and fewer shares when the stock is higher. This insures that your average cost per share will be lower than the overall price average of that stock.

✓ Discuss as a group.

Read the passage below and consider how it applies to the next illustration.

Cast your bread upon the waters, for after many days you will find it again. Give portions to seven, yes to eight, for you do not know what disaster may come upon the land.

Sow your seed in the morning, and at evening let not your hands be idle, for you do not know which will succeed, whether this or that, or whether both will do equally well.

—Ecclesiastes 11:1- 2, 6

PRINCIPLE 4: REDUCE YOUR RISK IN ANY MARKET WITH DIVERSIFICATION

Two investors, each with \$10,000 to invest for retirement in 25 years
(Percentages represent average yearly returns over 25 years)

INVESTOR A—Diversified Portfolio of \$10,000 invested with \$2,000 in 5 different investment choices:

Investment 1	#2	#3	#4	#5
\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
Lost all value and became \$0	earned 0% and remained \$2,000	earned 5% and grew to \$6,773	earned 10% and grew to \$21,669	earned 15% and grew to \$65,838
				Total=\$96,280

INVESTOR B—Non-Diversified Portfolio:

\$10,000 lump sum investment, earning 8% interest grew to a total of \$68,485

Even though Investor A did poorly with investments #1 and #2, he earned 40% more, or \$27,795, using the diversified investment approach.

✓ Discuss as a group.

Possible Applications

1. Caution: Do not start investing in a long-term investment plan until you have all high-interest debt eliminated and an emergency fund established.
2. Since your home is also a long-term investment, accelerate your payments to get it paid off sooner. You will save interest and can use your former house payment to dollar cost average into another investment.
3. Avoid “get-rich-quick” schemes or investments. Investing in someone’s new venture always looks good on paper before the business is started. They only turn bad afterward, when the assumptions made in the business proposal are seen to be unrealistic.

Points to Remember

1. Prosperity and financial success come from a combination of many factors, and all are important. To be good stewards, we need to understand and apply the basic financial principles of investing.
2. God wants us to also focus on contentment, being good stewards, providing for our families, and using our resources for that which is eternal.



Financial Principle

To invest in the stock market you need to have at least a seven to ten-year or longer perspective. If you may need to access this money before that time, use another investment option.



ASSIGNMENT FOR NEXT WEEK

1. Try to have your Quiet Times in these passages on money. As you meditate, they will help you grasp some key biblical principles on this issue: Deuteronomy 8:1-18; Psalms 49:16-20; 1 John 3:15-20; Ecclesiastes 2:3-11.
2. ✓ Place Ecclesiastes 11:2 in the front window of your *EMAW Verse Pack* and memorize it this week. Be prepared to review all your verses and share your Quiet Time thoughts with someone in the group.
3. Come with your lesson finished and be ready to discuss.
 - ✓ End the group in prayer using the *WAR* method.

Special Note

Becoming a better money manager is a process. It will take time. For some of you these financial concepts are new and the lessons have given you a lot of information to digest. It will take time to grasp, understand, and implement a wise, biblical financial plan. It took one couple I know seven years to get out of debt, establish an emergency fund, and start saving for retirement. After you have finished EVERY MAN A WARRIOR, you can come back to these lessons to study and continue to develop or implement your financial plan.

