



## FINANCIAL FREEDOM INSTITUTE AT EASTERN STAR CHURCH

### **CLASS #4: APPRECIATING A GOOD THING AM I LAZY OR DILIGENT?**

#### **OPENING PRAYER (TOGETHER)**

“Dear God, I am seeking **WISDOM** on my journey toward financial freedom. I pray You will give me the mind to trust Your instructions as I make my daily decisions. Please Lord help me to practice **DILIGENCE** in all that I do. Please God help me to **FLEE** from wasting time and your resources you have given me (**Time, Talent and Treasure**). Thank You for transforming my life. In Jesus name, Amen.”

#### **MEMORY VERSE (TOGETHER)**

Lazy hands make for poverty, but diligent hands bring wealth. (**Proverbs 10:4, NIV**)

#### **FINANCIAL FREEDOM GUIDING PRINCIPLES**

1. **GOD OWNS IT ALL** (Genesis 1:1, Psalm 24:1)
2. **GOD IS THE SOURCE OF OUR BLESSINGS** (1 Chronicles 29:12, Philippians 4:19)
3. **GOD EXPECTS US TO BE GOOD STEWARDS (MANAGERS) OF HIS RESOURCES** (Proverbs 6:6-8, Luke 14:28-30)
4. **GOD HONORS OUR OBEDIENCE** (Proverbs 3:9-10, John 15:7)
5. **GOD EXPECTS US TO GIVE CHEERFULLY** (Malachi 3:10, 2 Corinthians 9:7)

#### **LESSON OBJECTIVE**

We will focus on the importance of utilizing our ability to **WORK** diligently as Producers, not Consumers. We must understand when the Apostle Paul stated in 2 Thessalonians 3:10 that **WORK** is necessary!! We will learn about **INVESTING** including **REAL ESTATE**. Our panelists will share how **TRUSTING GOD** and practically applying biblical principles in these areas has allowed them to bless God and others.

#### **KEY FACTS**

- I. **Great Resignation:** There are approximately **150M** workers in U.S. Approximately **48M** people quit their jobs in 2021 and **51M** in 2022 (*Source: CNBC, 2023*)
- II. **Stock Market:** Where buyers and sellers exchange for shares in companies
  - a. Stock market is about 220 years old and is cyclical. **Investment Wealth Accelerators: Early, Consistently, Always**
  - b. Average annual return of Standard & Poor's Index is **11.88%** since its inception in 1957. 1995 (**37.2%**), 2008 (**-37%**), 2021 (**28.4%**), 2022 (**-18%**), 2023 YTD (**15.64%**) (*Source: MarketWatch, Investopedia, 2023*)
  - c. Stock Ownership by Race: (**3/5**)-**61%** (White), (**1/3**)-**34%** (African American), (**1/4**)-**24%** (Hispanic)- (*Source: US News, 2019*)



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- III. **Real Estate:** Land and any permanent structures, like a home, or improvements attached to the land
  - a. Federal Reserve Board states: Home ownership is the largest source of wealth among families, with the median value of a primary residence worth about **ten times (10X)** the median value of financial assets held by families.
  - b. Average profit of home sales in 2021 was **\$94k**, increase of **45%** from 2020 (**\$65k**) (Source: CNBC, 2022)
  - c. Average homeowner equity in 2022 was **\$185k**; Real estate appreciated **10% in 2022**, stocks decreased **18%** (Source: *MarketWatch, CNN*)
  - d. Homeowners have **44X** greater wealth than renters
- IV. **Wealth Mix: Real Estate (37%), Retirement Accounts (34%), Stocks/Bonds (12%), Cash (8%), Other Assets (9%)** (Source: *U.S. Census Bureau, TheStreet 2023*)

#### APPLICATION

- I. **Renting vs Homeownership Example**
- II. **Investing for Beginners Exercise**

#### KEY WORDS/THOUGHTS

- 1. **Diversity in Investments is very important to Generate and Maintain Wealth: (Real estate, stocks, bonds, index funds, fixed income securities, cash, etc.)**
- 2. **Stock:** A share (ownership) of a corporation purchased as security (also defined as Equities). Generally greater potential gains/appreciation than Bonds
- 3. **Bond:** A loan from an investor to a corporation or municipality as they seek to raise capital. Less risky than stocks.
- 4. **Index Fund:** An index fund is a type of mutual fund or exchange-traded fund (ETF) with a portfolio constructed to match or track the components of a financial market index, such as the Standard & Poor's 500 Index (S&P 500).
- 5. **Mutual Fund:** Generally, an Actively Managed (Broker Managed focus to beat market indexes) index fund that invests in diverse securities like stocks, bonds, money market instruments, and other assets. Generally higher expense ratio than ETF's
- 6. **Exchange Traded Fund (ETF):** Generally Passively Managed (Intentionally Tracks market indexes) Index fund similar to mutual funds, but can be traded intraday and expense ratios are lower than mutual funds
- 7. **Market Indexes:** portfolio of investment holdings that represents a segment of the financial market
  - a. **Dow Jones Industrial:** Tracks 30 large "blue-chip" public corporations
  - b. **S&P 500 (Standard and Poor 500):** Tracks 500 largest publicly traded companies
  - c. **NASDAQ:** Tracks 2,500 stocks concentrated in Technology sector
- 8. **IRA:** Individual retirement accounts (IRAs) are retirement savings accounts with tax advantages.