

# WSBM440 Financial Wisdom:

*Biblical Principles for Today's Challenges*

## Session VI: Grow

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# Session VI: Grow

## FORMAT

- Introduction
- Save & Grow
- Basic Principles on Growing
- Video: Presentation
- Small Group Discussion
- Class Discussion / Summary

# Session VI: Grow

## LEARNING OBJECTIVES:

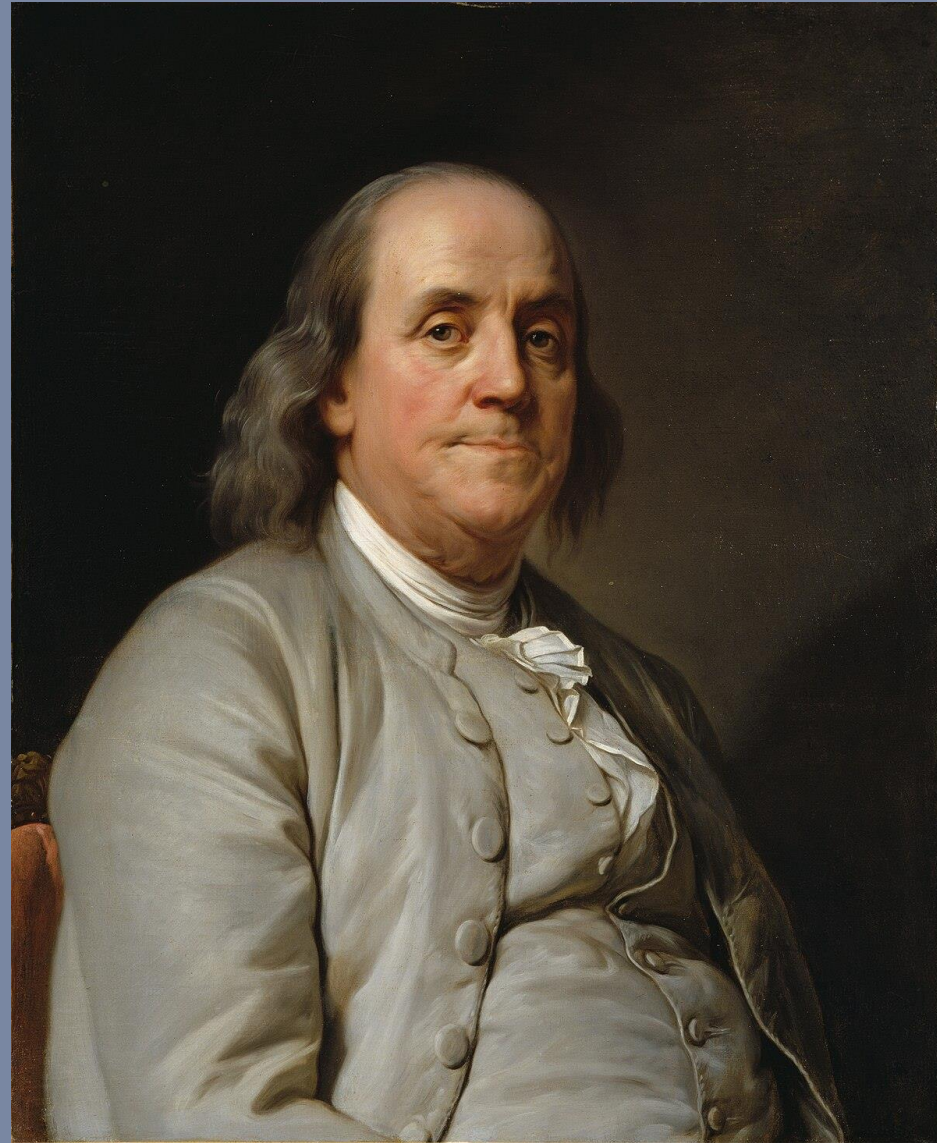
- 1) Develop confidence in the use of finances.
- 2) Improve the clarity of communication regarding finances.
- 3) Demonstrate the consistency of behavior that is pleasing to God.

# Session VI: Grow

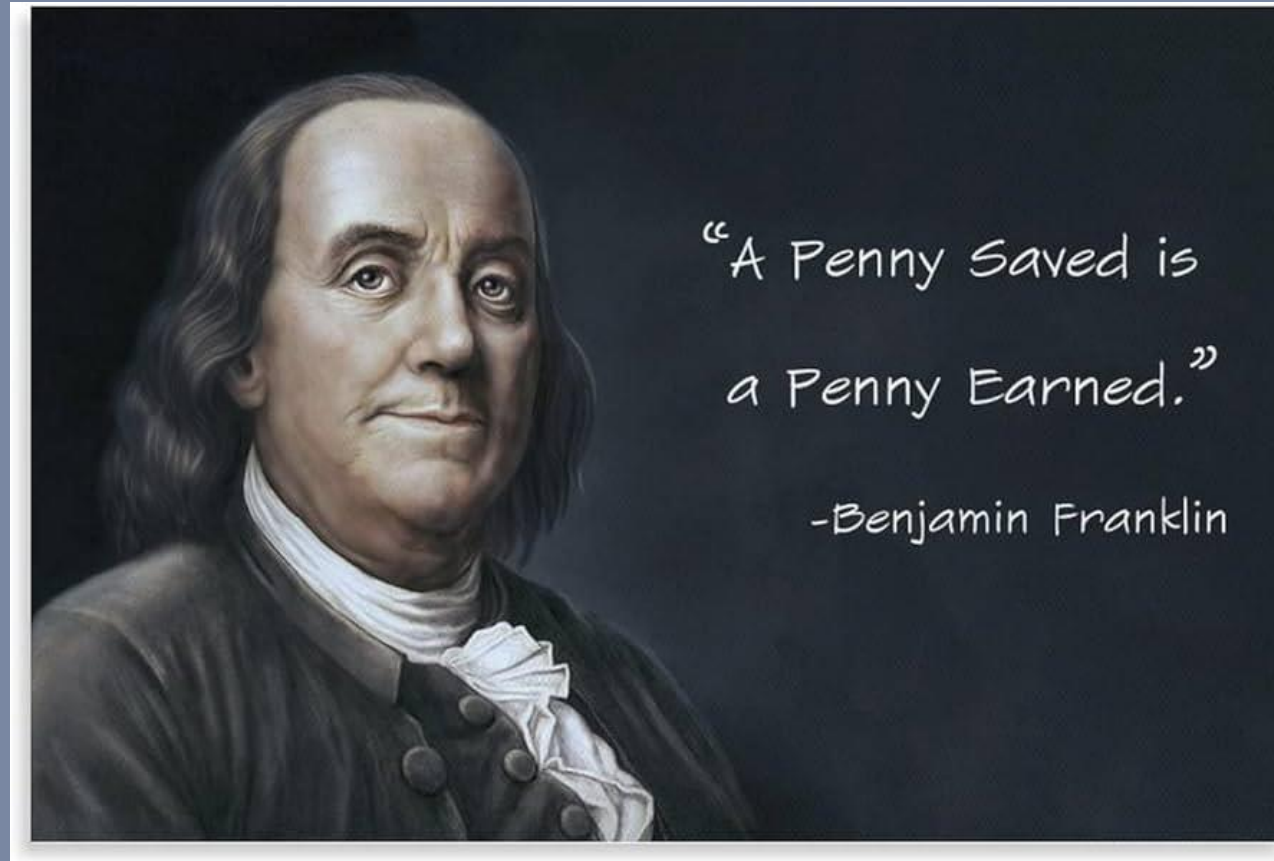
Wisdom → Financial Wisdom

“A prudent person foresees danger and takes precautions. The simpleton goes blindly on and suffers the consequences.” Proverbs 27:12

# Session VI: Grow



# Session VI: Grow





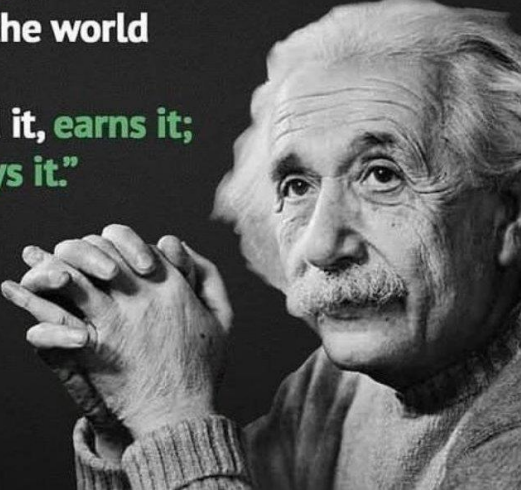
# Session VI: Grow

**COMPOUND  
INTEREST**

**“Compound interest is  
the 8th wonder of the world**

**He who understand it, earns it;  
he who doesn’t, pays it.”**

**- ALBERT  
EINSTEIN**



# Session VI: Grow

## COMPOUND INTEREST FORMULA



$$A = P \left( 1 + \frac{r}{n} \right)^{nt}$$

Amount      Principal      Interest rate (decimal)      Time (years)

Number of times interest is compounded per year



# Session VI: Grow

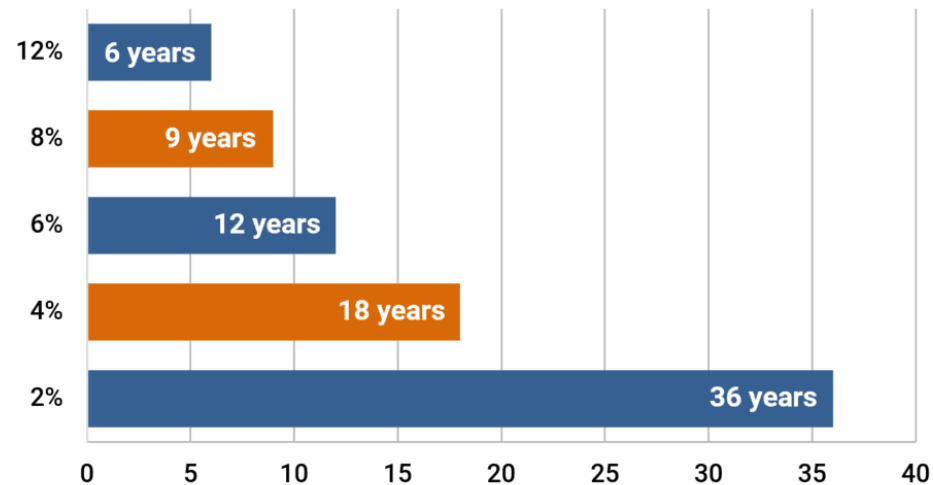
## UNDERSTANDING THE **RULE OF 72**



The Rule of 72 is an easy compound interest calculation to estimate how long it will take to double your money.

$$72 \div \text{Interest rate} = \text{Years to double money}$$

Using the rates shown, here is about how long it would take to double an initial investment.



SOURCE: St. Louis Fed Econ Lowdown, "It's Your Paycheck."

FEDERAL RESERVE BANK *of* ST. LOUIS

# Plan for Financial Margin

Expect the unexpected expenses:



Job Loss/Change



Vehicle Issues



Illness



Education/Wedding/Housing

# Session VI: Grow

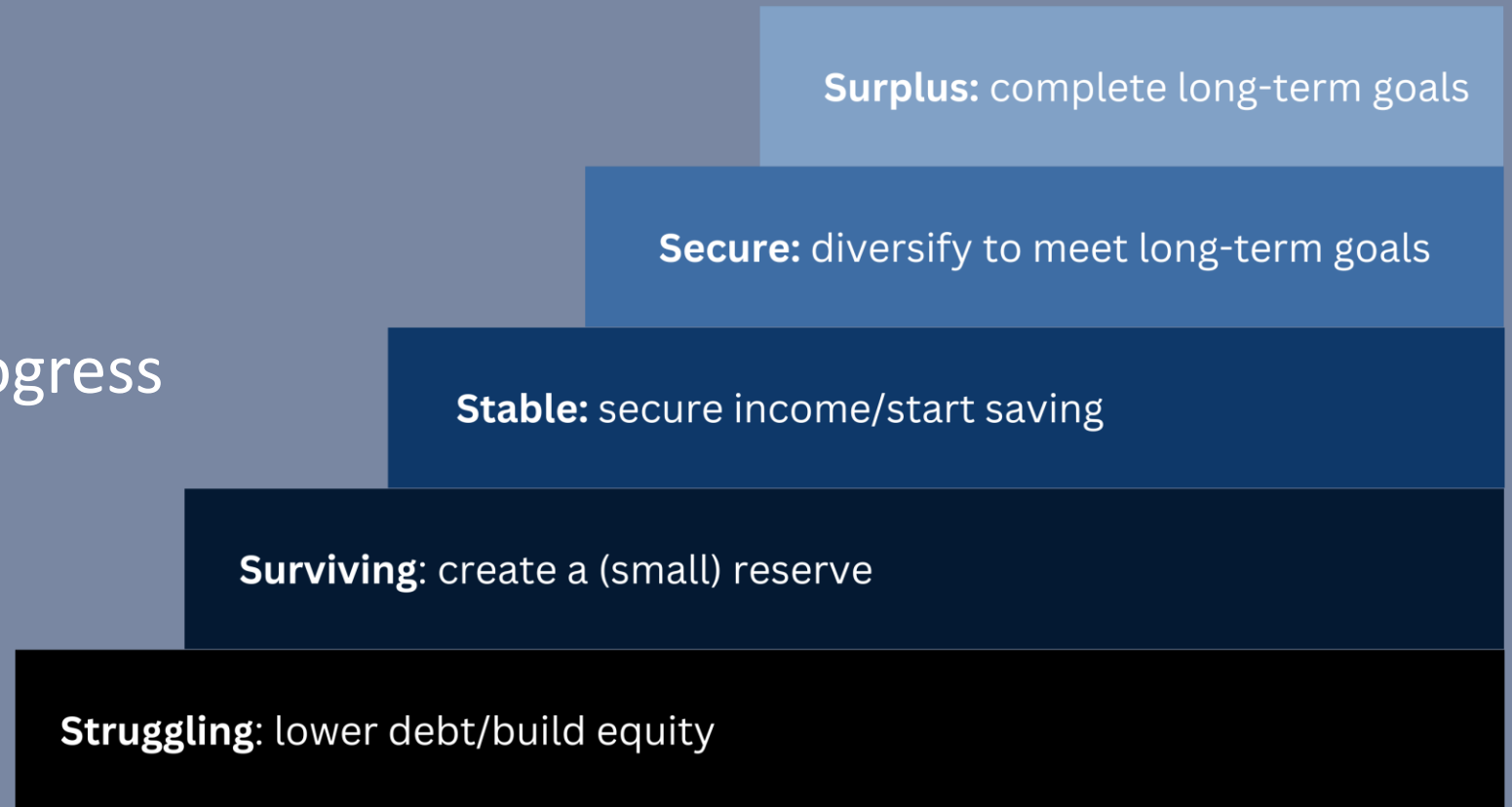
**The ability to discipline yourself to delay gratification in the short term in order to enjoy greater rewards in the long term, is the indispensable prerequisite for success.**

**BRIAN TRACY**

EVERYDAYPOWER

# Think Long Term

## Stages of long-term progress



# Session VI: Grow



# Plan for Financial Margin

## Summary of Typical Priorities:

1. Live
2. Owe Debt
3. Owe Taxes
4. Grow
5. Give

# Plan for Financial Margin

## Summary of Biblical Priorities

1. Give
2. Grow
3. Owe Debt
4. Owe Taxes
5. Live



# Plan for Financial Margin

## Summary of Priorities:

### Typical

1. Live
2. Owe Debt
3. Owe Taxes
4. Grow
5. Give

### Biblical

1. Give
2. Grow
3. Owe Debt
4. Owe Taxes
5. Live

## Section VI: Grow

And he who had received the five talents came forward, bringing five talents more, saying, 'Master, you delivered to me five talents; here, I have made five talents more.' His master said to him, 'Well done, good and faithful servant.[c] You have been faithful over a little; I will set you over much. Enter into the joy of your master.'

*Matthew 25:20-21*

# Session VI: Questions for Discussion

1. What principles covered in this class or the video have resonated with you and why?
2. How have you experienced the benefits of long-term thinking in a financial context?

# Session VI: Grow Over The Long Term

“Success can be defined as a focus in a single direction over an extended period of time.”

Virtually all worthwhile things are magnified with a long-term perspective:

1. Relationships
2. Spiritual disciplines
3. Gift development
4. Financial stability
5. Business acumen



## SESSION VI: GROW

### CONCLUSION / OBJECTIVES:

1. Develop confidence in the use of finances.
2. Improve the clarity of communication regarding finances.
3. Demonstrate the consistency of behavior that is pleasing to God.