



*A basic investment tutorial with a faith-risk "go for it" mindset built on the teachings of Jesus*

**Facilitating Grass-roots Wealth Transfer**

Donald & Cynthia Pirl

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*“Draw me after you and let us  
run together...”*

–The Bride in  
Song of Solomon

# Intentional Investing

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## Introduction

*“...Arise, shine for they light has come...”*

The primary focus of this book is not money management in the traditional sense. Neither is the focus avoiding taxes or trimming the family budget. My aim in writing is not as much to instruct as it is to inspire. Clarence Thomson wrote that the parables Jesus taught were crafted to spark imagination. This book was inspired by the parable in Matthew 25, and my great hope in writing is that the imaginations of those who read this book will awaken to the possibilities for lucrative investments which exist all around us all the time, and to their own potential and ability to take advantage of those possibilities.

Reading this book will not make you wealthy. Having said that, I am free to share openly with you without the pressure of trying to make you fit a mold. On the cover of many books I have read are promises of wealth: “How to become a real estate millionaire in three years with an initial down payment of \$6,000”; “How to Make Money in Stocks”; “Get Rich Selling on Ebay,” and the list goes on and on. For the most part, the claims are not untrue, and I believe many of the authors have accomplished, at least to some degree, what they claim to be able to tell us how to accomplish. If you follow their instructions carefully you will likely be able to imitate at least a part of their success.

Many such books are valuable in specific ways, and in a later chapter I may even recommend some. But many books about building wealth are written by authors who have tailored their methods to themselves, and to their own abilities, education, resources, and so forth. They are kind to share their methods, but reading such books with the knowledge that we may not be comfortable with the process they have entered in order to create wealth may help avoid disillusionment and disappointment. In writing this book I want to share some universal investing principles that will hold true for as many people as possible, and I also want to help you find ways in which to apply them to your life. I pray the Lord will grant you wisdom as you read, and illuminate the words and ideas.

If you decide to commit to becoming an intentional investor, this book will likely not be the end of your investment education and research. If you have not given much consideration to investing up to this point, reading Intentional Investing will be only the beginning. Due to a lack of true financial education in our families and culture today, there is definitely a rather steep learning curve, but my hope and prayer is that what I have written here will help

you grasp the basic concepts, and you will know where and how to begin in your quest for further knowledge and wisdom, and, ultimately in your quest to be a successful investor through focused intention.

I would expect that those reading this book are Christians with a desire to see God's Kingdom increase. If you are not, some of the principles in this book will make sense to you and some won't. For those who have surrendered their hearts to the Lord, He is at the center of all things, and nothing of which He is not center—even great wealth—has any true significance.

If you are a student of Bible prophecy you will understand when I say that I believe we are in a season in which God is moving to build His Kingdom, and you will likely be somewhat familiar with Isaiah 60. Here is a sample, verses one through seven:

*Arise, shine; for thy light is come, and the glory of the LORD is risen upon thee. For, behold, the darkness shall cover the earth, and gross darkness the people: but the LORD shall arise upon thee, and his glory shall be seen upon thee. And the Gentiles shall come to thy light, and kings to the brightness of thy rising. Lift up thine eyes round about, and see: all they gather themselves together, they come to thee: thy sons shall come from far, and thy daughters shall be nursed at [thy] side. Then thou shalt see, and flow together, and thine heart shall fear, and be enlarged; because the abundance of the sea shall be converted unto thee, the forces of the Gentiles shall come unto thee. The multitude of camels shall cover thee, the dromedaries of Midian and Ephah; all they from Sheba shall come: they shall bring gold and incense; and they shall shew forth the praises of the LORD. All the flocks of Kedar shall be gathered together unto thee, the rams of Nebaioth shall minister unto thee: they shall come up with acceptance on mine altar, and I will glorify the house of my glory.*

So, we believe this is coming. There is much current teaching about such things. Have you heard prophetic encouragements about God desiring to raise up people who walk in a Joseph anointing, saving up wealth to provide for God's people in unique seasons, and those who will walk in Daniel anointings, holding positions of significant influence? If you are interested, you may go to The Elijah List web site and use the search engine there to find articles about Joseph, Daniel, and a release of wealth to God's people. Such things stir an amen in me and I want to be ready.

As in everything significant in life, in order to see God's purposes come to fullness in this realm we must release our faith with God's Word. In some circumstances we then add patience to faith and wait, as in "*Be still and know that I am God.*" You could buy lottery tickets and pray over them, or you could hope you might inherit from some wealthy relative. However, in very many situations in the New Testament, faith was mixed with purposeful action, and often bold, courageous action in moving toward the center of God's purposes and blessing. I'm thinking of such situations as the friends who lowered their ailing pal through a roof in order to get Jesus to pray for his health [Mark 2: 4], Peter who stepped out of a boat into a raging stormy sea [Matthew 14: 29], Paul who shook a poisonous snake off of his hand [Acts 28: 3] and so forth.

My husband, Don, and I (our personal story in brief is an appendix if you are interested) began studying investing in earnest some time ago. Before that I had made some money in stocks (a mid-nineties IPO, and my success was all blessing and no finesse), and Don was enough of a numbers aficionado to be interested in investment principles. We had some financial pressures which compelled us to try to learn and move forward. Our tax accountant was offering free financial counseling, so we decided to meet with her. This is not actually the best place in which to begin, nevertheless we left the meeting with the conviction that we could and must take action.

As we began to study and learn, we had some great sources of inspiration. One was a 30-day prayer focus put together by Chuck Pierce for releasing wealth (another Elijah List search project for you). Another very powerful source of inspiration and direction was, and continues to be (and as the Lord continues to give us fresh manna of revelation we will make revisions to the book), Matthew 25, the parable of the servants entrusted with the master's money. Some in the Church have long taken this parable to be about natural or spiritual gifts or abilities, because money is referred to as 'talents.' [As a note, when I capitalize the word 'church' I am referring either to a specific group, which I will name, or to the Church Universal, referred to in the Nicene Creed as the "Holy and Apostolic Church."] While I believe that stewarding abilities is important, as you will see in later chapters, a talent was a unit of currency in Jesus' time, and this word within the context of the parable does not refer to abilities. I would like for us to consider this parable, as it contains some of the foundational ideas upon which the ideas I'm presenting have been built.

*For [the kingdom of heaven is] as a man travelling into a far country, [who] called his own servants, and delivered unto them his goods. And unto one he gave five talents, to another two, and to another one; to every man according*

*to his several ability; and straightway took his journey. Then he that had received the five talents went and traded with the same, and made [them] other five talents. And likewise he that [had received] two, he also gained other two. But he that had received one went and digged in the earth, and hid his lord's money. After a long time the lord of those servants cometh, and reckoneth with them. And so he that had received five talents came and brought other five talents, saying, Lord, thou deliveredst unto me five talents: behold, I have gained beside them five talents more. His lord said unto him, Well done, [thou] good and faithful servant: thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy lord. He also that had received two talents came and said, Lord, thou deliveredst unto me two talents: behold, I have gained two other talents beside them. His lord said unto him, Well done, good and faithful servant; thou hast been faithful over a few things, I will make thee ruler over many things: enter thou into the joy of thy lord. Then he which had received the one talent came and said, Lord, I knew thee that thou art an hard man, reaping where thou hast not sown, and gathering where thou hast not strawed: And I was afraid, and went and hid thy talent in the earth: lo, [there] thou hast [that is] thine. His lord answered and said unto him, [Thou] wicked and slothful servant, thou knewest that I reap where I sowed not, and gather where I have not strawed: Thou oughtest therefore to have put my money to the exchangers, and [then] at my coming I should have received mine own with usury. Take therefore the talent from him, and give [it] unto him which hath ten talents. For unto every one that hath shall be given, and he shall have abundance: but from him that hath not shall be taken away even that which he hath. And cast ye the unprofitable servant into outer darkness: there shall be weeping and gnashing of teeth.*

This book is called Intentional Investing, because we are not simply doing some random investing, hoping for the best as we might in a Las Vegas casino. The process about which I am writing is not simply about acquiring or accumulating money, even for the best of purposes. God does not need us to accumulate wealth. Psalm 50: 12 says:

*If I were hungry, I would not tell thee: for the world [is] mine, and the fullness thereof.*

God can do what he wishes, and, although because He loves us He allows us to participate in His works, and even to be at the center of His purposes, He ultimately does not need our help. Matthew 3: 9 tells us that we should:

*“...Think not to say within yourselves, We have Abraham to [our] father: for I say unto you, that God is able of these stones to raise up children unto Abraham.”*

In that admonition from Jesus we learn that God can do creative miracles if He so desires. If the Lord only wanted for us to have money He could put it in our pockets, or let us find it in the mouth of a fish, as Peter did when paying Jesus' taxes. Or, for that matter, it could be in our gas cap when we went to fill our tanks. So, the process of intentional investing doesn't, as I stated above, simply concern making money. Rather, the process is about our character. If you decide to follow the path toward wealth I am recommending, the process will be about you; about your character, in the same way in which the parable of the talents is about the character of the servants.

Why do you suppose the master in the parable of the talents asked the servants to mind his money? Do you suppose he needed their investment skills to increase his wealth? Doubtful. In fact, upon his return, he gave them not only the money their investments had earned, but also the initial investment capital (with the exception, of course, of the faithless servant who hid the money by burying it in the ground). He entrusted the money to them because he was training them to rule with him, and told the faithful investors to *"...Enter into the joy of thy master..."* The Message paraphrase of the Bible states that welcome into a better place this way: *"Come and be My partner."* There are many principles highlighted in this parable, and in discussing such things as faith, risk, positive violence and the like, I will refer to it again in following chapters, particularly in Tossing Old Wineskins. Stewardship is a tremendous privilege and honor. Lucifer, in his pride, thought that it would be better to be independent rather than a steward, and decided to rebel. However, as we see in the parable, there is great blessing in serving a gracious Master.

If you are confused and/or frustrated by this introduction, take heart, you have nearly completed reading it, and I am quite certain that in the rest of the book you will find practical wisdom and information that you will enjoy and from which you will benefit. For the record, though you would probably guess at this, my life is not some overnight success fairy tale. In fact this morning I came fairly close to replying to a fraudulent email asking for personal and credit information (it really looked official), I learned of a stock market trade I should have made a couple of days ago, and I misplaced some important mail. For about ten minutes I really felt like a loser, which feeling is something with which we must learn to cope, as, if we do things, we will inevitably make mistakes. The point isn't our mistakes and failures, and it isn't even our victories and successes. These will come, and some will be more significant than others. The point is to learn to risk in order to grow in having God's purposes increase in our lives, and come to fullness. The point is, when our lives or financial picture are less than ideal, to be able to say as Job did, "Though He slay me, yet will I trust Him," and go on. The point is our character being developed to the degree at which the Lord can say to us *"...Come and be my partner..."*

## Chapter II: Tossing Old Wineskins

Mark 2: 22 *“And no man puts new wine into old wine-skins: or the skins will be burst by the wine, and the wine and the skins will be wasted: but new wine has to be put into new wine-skins.”*

Where do you want your ideas and principles to come from? If we wish to become intentional about investing we need a foundational set of principles. You already have formed a set of principles which have become the foundation on which your financial decisions are based, though you may not have formed it with intention. How is it working for you? Is it a wineskin that has been around for awhile? How is the wine inside of your old wineskin? In other words, are you satisfied with your current financial [and spiritual] circumstances? Do they mesh with your vision for your life and for the Kingdom of God as well as your place in it? Rick Joyner has written in *Breaking the Power of Evil* that financial independence means that finances are not the chief consideration in decisions, rather the chief consideration in making decisions is the will of God. Is that true of your decision making process?

Jesus said that our traditions can make the Commandment of God of no effect (Matthew 15:6 *“...Thus have ye made the commandment of God of none effect by your tradition”*). The implications of this statement are far-reaching and very significant considering many matters of faith. However, the matter about which Jesus was speaking when He said this was a financial one. I am including the above verse to reiterate the importance of discarding old wineskins and all traditions that are contrary in even the slightest way to the pure Word of God. If we insist on clinging to our traditions—no matter how seemingly good the source, or how well intentioned—we run the risk of making the Commandment of God which is for our blessing of no effect. Even Balaam, whose ass had more sense about obeying the Lord than did he, said in Numbers 23:20 *“Behold, I have received [commandment] to bless: and he hath blessed; and I cannot reverse it.”* I trust you will not wish to reverse God’s commandment to bless you by clinging to tradition.

Some of the traditions, ideas and principles that guide your financial decisions will have come from your family, and the community in which you were raised. If you have been a Christian for some time, many of your ideas and principles regarding finances may have come from the Church, (and I trust you realize that not absolutely everything that is taught by the Church even with the best of intentions is 100% based on the Bible). I do not know what these specific influences have been in your life, but the Holy Spirit certainly does. I would ask you at this point to spend

some time in prayer (maybe a few days) and ask the Lord to help you identify on your own some of your guiding principles which do not align with His Word and with His vision for your life which He would like to impart to you.

I will be asking you to examine some ideas and some of yours may be found to be wineskins that cannot hold the new wine of intentional investing. Before I begin that process I would encourage you, in committing yourself to prayer and seeking the Lord about how He wants you to approach the subject of investing, to read a 31-day prayer focus written by Chuck Pierce for the purpose of helping us as Christians catch the financial vision the Lord has for us. The study is free and can be found at this URL: [http://www.elijahlist.com/words/display\\_word.html?ID=1273](http://www.elijahlist.com/words/display_word.html?ID=1273) If you enjoy the prayer focus I hope you will go through it. Don and I have gone through it three times, and will do so again in the future. It is a great help in becoming and staying focused.

### **Worthiness/Unworthiness**

If you feel unworthy of blessing, whatever tradition or paradigm upon which your feelings of unworthiness rest is the first wineskin which I would like to encourage you to toss. We may feel unworthy of God's love. I realize that feelings are sometimes difficult to alter. However, feelings are directed by thoughts and we can change our thoughts. We must take every thought captive to the obedience of Christ (see II Corinthians 10: 5) in order to arrive at the place appointed for us by the Lord. We may believe that the only thing of which we are worthy is punishment and banishment. While for the unregenerate man this is unequivocally true, Ephesians 1: 6-7 makes a beautiful statement:

***“...The glory of his grace, wherein he hath made us accepted in the beloved. In whom we have redemption through his blood, the forgiveness of sins, according to the riches of his grace...”***

So, what is it that the Lord says about us? That we are ***“accepted in the Beloved.”*** There is a sort of idea in our society and even much of the Christian community that God is some sort of ogre waiting to jump out at us the moment we make a mistake, and this idea can form a wineskin that will not hold the wine of God's rich love for us, and the corresponding process of redemption. In contrast with that idea that God is waiting to punish us as soon as we falter is Psalm 103 which talks about how God has compassion for us the way a parent would have compassion for a small

child, understanding that we simply can't always do everything right. The Lord remembers that we are made out of clay, as He made Adam out of clay. He knows our limitations and does not despise us for them.

However, God does require perfect obedience of people in order to be able to receive and love us most fully. But in sending Jesus to live a perfect life and then die for us on the cross, God the Father gave us an opportunity to be accepted by Him, so that we might experience the fullness of His love, even as Jesus experiences it. There is a complete transference of our sin to Him, and of His righteousness to us, so that we are worthy even as Jesus is worthy.

From Adam on, we people have messed up our lives. But Jesus lived a perfect life. So Jesus took our sin, and was punished for it by dying on the cross and being separated, temporarily, from the love of the Father. In exchange for our sin, Jesus gave us His righteousness. So we are completely accepted before the Father, as if we had never sinned.

The Apostle Paul wrote about this process in Romans 5: 18 ***“Therefore as by the offence of one [judgment came] upon all men to condemnation; even so by the righteousness of one [the free gift came] upon all men unto justification of life.”***

If God loves and accepts us, who is left to reject us? Romans 8: 31 says ***“What shall we then say to these things? If God [be] for us, who [can be] against us?”*** The implied answer is, reasonably, nobody.

First of all, anybody else's love or influence pales completely when compared with that of the Lord. God's love for us is boundless, even when we are in the midst of our darkest sin. Romans 5: 8 tells us: ***“But God commendeth his love toward us, in that, while we were yet sinners, Christ died for us.”*** Jesus died for us when we were sinners.

In the Book of Ezekiel the Prophet there is a beautiful word picture of a baby girl newly cast off from her mother, and unwashed and uncared for.

Ezekiel 16: 4 ***“...[As for] thy nativity, in the day thou wast born thy navel was not cut, neither wast thou washed in water to supple [thee]...None eye pitied thee, to do any of these unto thee, to have compassion upon thee; but thou wast cast out in the open field, to the loathing of thy person, in the day that thou wast born. And when I passed by thee, and saw thee polluted in thine own blood, I said unto thee [when thou wast] in***

*thy blood, Live; yea, I said unto thee [when thou wast] in thy blood, Live.”*

God commands life and blessing for us as well. He has adopted us and made us His heirs according to Romans 8: 17: *“And if children, then heirs; heirs of God, and joint-heirs with Christ; if so be that we suffer with [him], that we may be also glorified together.”*

As an aside, what is that word, ‘suffer’ referring to? I do have some thoughts, but have placed them in the next chapter about true riches, mostly under the heading of “Struggle.”

Before I move on to the next wineskin I would very much like to make something as clear as possible. If you have accepted forgiveness and adoption—sonship—from God the Father through the sacrifice Jesus made on the cross, you are worthy. All the promises of God are yes and amen to you in Jesus (see II Corinthians 1: 20). You are every bit as worthy of God the Father’s blessing and favor as Jesus, just as on the cross He bore every bit of your guilt. If you believe and live this, the Kingdom of God will be manifested in your life. If you don’t, the enemy (the devil) has a handle on you and you will have difficulty believing the Lord for all the outworkings of salvation pertaining to healing, finances, relationships, and every area of life.

We as Christians talk about this transfer all the time, but somehow I suspect we often still don’t really get the deepest and most significant meaning inherent in this great and precious Truth. This worthiness of ours is not dependent upon what we do or do not do, although it is dependent upon our faith. We know that faith comes by hearing and hearing by the Word of God (Romans 10: 17). We also know that whatever is not done in faith is sin (Romans 14: 23). Therefore if we believe we are unworthy on any level of any blessing of God through Jesus, we are believing something contrary to the Word of God, and this belief cannot be faith because it does not come by hearing the Word of God. Therefore, this belief that we are unworthy is sin. I pray the Lord will give you deeper revelation of this that will serve to change your life and the way in which you think of yourself forever.

### **Faith vs Fear**

Rick Joyner wrote that “Fear is faith for the things you don’t want.” In Matthew 25 the servant who refused to invest the talents, choosing instead to bury them, gave fear of the master as his reason for not investing with a goal

toward increasing the value of that with which he had been entrusted by the master. The master called him “wicked and slothful.”

Do you believe that if you allow it, fear can keep you from your destiny in the Lord? The “wicked and slothful” servant in Matthew 25 was prevented by fear from entering the blessing extended to the other two servants who were good investors. They were invited to “*enter into the joy*” of their lord. The other guy, the one who was afraid, was cast out into outer darkness.

Investing can be scary. Sharing the Gospel can be scary. Showing love can be scary. Yet we are free from fear. John wrote in his first epistle that “*There is no fear in love,*” and “*Perfect love casteth out all fear.*” We know this perfect love. We don’t have a need to be afraid of the Master punishing us if we mess up. We have already been completely accepted and pardoned.

In order to succeed in investing, or for that matter any challenging pursuit, we must act in faith rather than in fear. Paul wrote to the Romans that “*Whatever is not done in faith is sin.*” Investing and other financial activities are sin if we participate in them moved by fear rather than by faith. Hebrews 11: 6 tells us that without faith it is impossible to please God, and that he who comes to God must believe that He is, and that He is a rewarder of those who diligently seek Him.

At this point, it’s probably appropriate to ask yourself: Am I afraid to invest? Do I really believe that if I study to show myself approved as an investor (see II Timothy 2: 15), and move in faith and obedience, my efforts will bear fruit?

In Matthew 25, the master gave the servants no clear direction about investing the money with which he entrusted them. His expectation that they would increase the money seems to be a given. I believe we can apply this principle to ourselves, assuming that the Lord is pleased when we invest to show a profit, and will bless not only our efforts, but will also invite us to share His joy. Remember the presentation in The Message of the command to enter the joy of the masters: “*Come and be my partner.*” Who wouldn’t want to be the Lord’s partner? It is not a losing proposition.

## Debt

Before I give the alternative perspective on debt, perhaps I should lend some definition to the conventional Christian perspective, based on this verse:

Romans 13:8 ***“Owe no man any thing, but to love one another: for he that loveth another hath fulfilled the law.”***

When I was a young Christian we were warned from the pulpit about the dangers of debt, and advised to assume debt only to buy a house—which was considered an investment—and, if absolutely necessary, to buy a car, an appliance helpful in keeping a job. Because of the above verse other types of debt were considered disobedience to the Word of God.

While there is wisdom in this, particularly for young people beginning their lives, there is another perspective found in the Book of Kings, where a widow so deeply in debt that creditors were going to sell her sons was told by the prophet Elisha to assume even more debt. Her obedience to the Word of God spoken through the prophet required her to borrow from her neighbors, at a time when her credit was already about as bad as it could be.

Jesus said that the traditions of men could serve to nullify the Word of God, burying God’s intention. He told the Pharisees whose tradition called for using inheritance money for the synagogue instead of for parents that they, by their traditions, made ***“...the Word of God of no effect.”*** Do we want to cling to tradition, or do we want God’s Word to have its full effect among us?

Here is an interesting story about Christians missing financial opportunities because of traditions. Sometime in the middle of the second millennium AD Jews became bankers because developing interests found borrowing money expedient and Christians thought it wrong to put out money at interest. Now, reading the Bible you might tend to think that the idea of not putting out money at interest was more of an Old Testament idea, and that perhaps the Jews would have more trouble with it than Christians, but not so. This tradition was one of the factors that led to great resentment of Jews, with Jewish families becoming the owners of many of the large banking establishments,

and thereby controlling much of the wealth of Europe. Notice that the Jews did not usurp that place, but were asked to take it.

The Bible tells us that the letter of the law kills but the spirit gives life. Also, we know that *“Where the Spirit of the Lord is there is liberty.”* I have read that this verse may also be translated *“Where the Spirit is Lord there is liberty.”* The Holy Spirit illuminates God’s Word for us, and we respond to Him by obeying, and by yielding to that which He enlightens for us. I am not suggesting that we ignore any part of God’s Word in order to justify that which we wish to do in a fleshly way. To the contrary, I advocate considering God’s whole Word, including such wisdom as that gleaned from the above mentioned accounting of Elisha’s miracle cure for the widow’s indebtedness. As I wrote, the cure didn’t involve Elisha’s lecturing the widow, telling her it’s wrong to borrow money, making her feel foolish, or asking her if she really needed all the things upon which she had spent herself into debt. Rather, remarkably, the cure called for her to incur yet more debt.

In investing there is an important principle, and very few people accumulate much wealth without it. The principle is called OPM, which stands for “other people’s money.” Other people’s money can be borrowed from banks and mortgage companies in the process of buying real estate, it can be borrowed from stock brokers as margin for increasing one’s ability to invest in securities, and it can be borrowed from specialty lenders and venture capitalists in order to finance business ventures. Even the faithful servants in Jesus’ parable about the talents were investing with someone else’s money.

Don and I play the fortune-building game Cash Flow fairly regularly. We enjoy the game very much and have learned a lot. One of the most surprising things we have learned is that one of the best ways to get ahead is to go into debt (for the purpose of purchasing income-producing property). Remarkably, sometimes incurring debt so high that payment can just barely be made is the move that pushes us into a winning position in the game.

Realizing that has led to one of the greatest paradigm shifts I have had as I have learned about investing. Undeniably, there is “bad” debt, as in foolish credit card purchases, buying lottery tickets instead of paying the light bill and so on. But there is also “good” debt; well-considered borrowing toward a specific end, the embracing of which is a step toward not only financial freedom, but wealth.

As you read about real estate investing you will read of OPM, or Other People's Money, the principle that calls for the borrowing of sometimes substantial amounts of money that may even come from more than one lender in order to leverage oneself into real estate wealth. As you learn about investing in the stock market you will inevitably come across the word 'margin' eventually. Trading on margin is the practice of borrowing an amount from your broker that is equal to the amount of your own money that you have invested. This is a very common practice. Both of these practices must be entered into with caution and wisdom, and I will discuss them further in later chapters, but I hope you will not allow old wineskin ideas about debt to prevent you from having a place in which to store new wine of increasing prosperity.

I have a bit of a footnote to add here. Do you have a lot of debt? I briefly mentioned something about credit card debt. Short-term sometimes this is nearly unavoidable. But there's a weight about it. If you have ever carried much you know what I mean—I have carried quite a lot at times. It can be overwhelming. Is it bad? It feels very bad.

But I'm not sure the experience is a bad one all around. At least, I know the Lord can use it, as He causes all things to work together for good in our lives. Having large amounts of personal debt can help us have compassion for others whose lives are messed up. And, once we break out we can encourage others that they can break out as well. There is a lyric from a Neil Young song that goes "Don't let it bring you down, it's only castles burning. Find someone whose turning and you will come around." Are you "turning" from debt? If not, find someone who is and learn from them. If you are, help somebody else come around. The focus of this book is investing rather than money management, but in Chapter XV there is a reference to one means of systematically reducing debt.

As I have pondered this subject of debt I have been reminded of Jesus. The sin He bore on the cross was a very real debt, the sin debt of mankind compounded over the ages. His assuming our debt was as if a prince who had never lacked for anything suddenly found himself owing all the money his subjects had ever borrowed. He wouldn't be homeless, anonymous and penniless—that would be too easy. He would instead have the weight of all that debt on his shoulders, as Jesus did on the cross. Do you suppose He was more separated from the Father on the cross than we are before we experience grace? Perhaps He was, but I think that one reason it was so very extremely heartbreaking for Him to suffer that separation was the fact that His rejection and judgment for our sin was such a stark contrast to the warm and lavish—extravagant, really—love He had always experienced.

But He, and the Father (not to mention the Holy Ghost) are in the redemption business. He has redeemed us from the debt of sin, and He will help us as we redeem our finances. Do you believe He wants you redeemed? Is His will accomplished? When we are yielded and flow with His plan it is. There is a way out of overwhelming heavy revolving credit debt, and you can find it. Some intentional investing will help your financial picture. But wise personal money management will lead toward even greater increase. Lord, release redemption! [There is more about redemption in the next chapter.]

I suspect that the Lord is willing to allow us to enter “make or break situations.” He will sometimes watch as we get into situations that will challenge us to the very core of our beings. We often get into these situations through the exercise of our free will. If we overcome the challenges, great! We have matured and moved along in God’s purposes. If we don’t, it’s OK. The Lord’s sovereignty and holiness have not been threatened, and we will have another chance to overcome, especially if we remember how to overcome, by the blood of the Lamb, the word of our testimony, and that we love not our lives even unto death.

## **Tithing**

Much has been written about tithing from many points of view, and here’s another one—hopefully one that will be a good balance and food for thought. If you are a pastor or church leader, please bear with me. It’s possible that sometimes fear has compelled those in leadership to place restraints on people, requiring things that the Lord has not required. If we think about it, we will realize that God is more than able to call forth resources in order for His will to be accomplished in the Church.

Once I was a part of a prophetic team that went to minister to a very poor inner city church. The team leader shared with the congregation that morning, then everyone on the team ministered prophetically to the pastor, his family, and some others. Whether by prophetic insight or simple observation, I had a sense that the pastor saw us, a middle-class team from an upper-middle-class community, as a means for his church to get money. It’s difficult to put into words exactly what I sensed, but it would be fair to say that I had a sense that he thought something like this: “They (the church of which the team was a part) have money, and when they see our need they will give to us.” Obviously, this is somewhat valid in the context of Scripture. Paul asked Christian communities to send financial help to other Christian communities who had greater need.

As we began to pray for the pastor, I received a surprise from the Holy Spirit. I sensed from the Lord that I was to tell this brother who felt needy and wanted to be given to that it is more blessed to give than to receive and that he was to give: that through giving his needs and the needs of his church would be met. If memory serves, I shared with him the story of the widow woman of whom Elijah asked bread in I Kings 17. This widow had only enough flour and oil left for one last meal for her and her son due to the terrible famine upon the land. The prophet asked her to let him have some bread first. When she obeyed her supply of bread and oil was not exhausted until after the end of the famine. She and her son ate because she gave. Would she have been able to survive had she not been willing to give?

Insisting on preserving our financial standing—no matter how inadequate we may think it—is itself a wineskin that will not hold new wine. After all, he who finds his life will lose it, and he who loses his life for Jesus' sake will find it. Trying to preserve the status quo when it does not serve God's purposes or conform to His Word is a dead end in the Kingdom of God, where things are not what they seem, but what God says they are.

So what happened to that pastor with whom I shared the story of the widow and an admonition to give? I would like to say that he received what I shared and his church has been mightily blessed, but the truth is I don't know how he and his church are faring. I don't think he received what I shared with joy, but that doesn't mean much. As Jesus shared in the parable of the two sons, one of whom agreed to obey the father then didn't, and the other of whom refused to obey the father and then did, our initial response to a word is not as important as whether we let it become rooted in our life.

I have shared all of that in order to set the tone for what I am going to write about tithing. I'm not going to offer a new doctrine of tithing. But I would like to show some discrepancies I have noticed between commonly taught and practiced tithing principles and what I have seen in the Bible.

Most churches of which I have been a part teach that we are to give a straight 10% of our gross income and that tithe should go directly to the support of the local church. Any extra giving to itinerant ministries, charities independent of the church, or the like are considered to be extra "offerings" and are not to be considered as a part of the tithe.

This practice of tithing is based on much Old Testament teaching. Now it is true that tithing was a part of the practice of the Old Covenant, and was initiated by the Lord's command. I have not been particularly interested in tithing and have never undertaken an in-depth study of tithing. But as I read my Bible in daily readings that yearly take me from Genesis to Revelation, I have noticed some intriguing verses about tithing.

I will frankly tell you that I don't have specific answers to my own questions—the ones that have been provoked by my Bible reading—about giving. I'll share with you my questions, and then try to move in a direction of making at least some sense of what the Lord expects of us in the realm of giving. I have heard some people give rationale for why the following verses that provoked my questions don't contradict the way we have been taught to tithe, such as "Oh, that was this tithe, and there was another tithe." Now this may be true and my questions might be out of line, although I have seen nothing in the Word to convince me of this. Also, I believe for the most part the Lord makes complicated things simple, rather than the reverse being true. Psalm 19 tells us that the Word of the Lord makes wise the simple.

Deuteronomy 14 contains the following passage beginning at verse 22:

*Thou shalt truly tithe all the increase of thy seed, that the field bringeth forth year by year. And thou shalt eat before the LORD thy God, in the place which he shall choose to place his name there, the tithe of thy corn, of thy wine, and of thine oil, and the firstlings of thy herds and of thy flocks; that thou mayest learn to fear the LORD thy God always. And if the way be too long for thee, so that thou art not able to carry it; [or] if the place be too far from thee, which the LORD thy God shall choose to set his name there, when the LORD thy God hath blessed thee: Then shalt thou turn [it] into money, and bind up the money in thine hand, and shalt go unto the place which the LORD thy God shall choose: And thou shalt bestow that money for whatsoever thy soul lusteth after, for oxen, or for sheep, or for wine, or for strong drink, or for whatsoever thy soul desireth: and thou shalt eat there before the LORD thy God, and thou shalt rejoice, thou, and thine household, And the Levite that [is] within thy gates; thou shalt not forsake him; for he hath no part nor inheritance with thee. At the end of three years thou shalt bring forth all the tithe of thine increase the same year, and shalt lay [it] up within thy gates: And the Levite, (because he hath no part nor inheritance with thee,) and the stranger, and the fatherless, and the widow, which [are] within thy gates, shall come, and shall eat and be satisfied; that the LORD thy God may bless thee in all the work of thine hand which thou doest.*

Amos 4:4 has something interesting to say as well:

*...Bring your sacrifices every morning, [and] your tithes after three years...*

Doesn't part of that passage from Deuteronomy sound a bit more like a teaching on how to have a fun vacation than like most of the teaching the church has heard about tithing? Isn't it nice to know that the Lord likes for us to enjoy ourselves and our families?

When I first really noticed this passage, one of the first things I noticed was the admonition to buy strong drink or whatever one's soul desires. But that's a wineskin to address in another context, and at another time. I mention it now because I want you to consider that the Lord may just have something in mind that is somewhat different from what has generally been believed and presented to us as His people through the years.

If you are a pastor and feel threatened by what I am saying, first I will ask you to forgive me for stirring up ideas and challenging paradigms. Then I will ask you to consider this: Do you really want to require something of people which the Lord has not required? What would this serve? Would it serve to invoke true blessing and serve to accomplish the highest and best purposes of the Lord? Must people be constrained by set rules to do what the Lord calls them to do, or will they obey Him if allowed to walk in freedom? Which do you think will prosper your church the most, grasping an accustomed source of income through tithing or tossing an old wineskin and preparing to receive new wine in abundance?

So, to consider these passages, how do they line up with that which we generally have heard about tithing? What is that reference to "every third year"?

To reiterate: I am not a Bible scholar, I just like reading it. Well, it's not quite that simple, really. It is the Inspired Word of God, and the foundation upon which we build our lives. Certainly, I wish to build my life upon it.

Considering these passages, it seems to me that, if we want to strictly observe these passages about tithing, we would have ourselves a party before the Lord to honor Him each year, and every third year, we should instead bless and give to those who need our support. Do you suppose this is what the Lord intended? It seems to me that if we were

to strictly follow the letter of the law we would perhaps tithe to those outside our family every third year, and the other two years in between we would set aside a tenth of our income for a celebration—perhaps a very nice vacation (and here I would like to add that I do believe that a very important part of giving is being generous to our families, and especially toward those who are dependent upon us).

II Corinthians 3: 6 tells us that “...*The letter [of the law] killeth, but the spirit giveth life...*” So I don’t think we necessarily want to cling too much to the letter of the law. The alternative is to take a look at how money was handled in the New Testament.

I see that in Acts 2: 44-45 the disciples “...*Had all things in common,*” and individual possessions and goods were sold with the proceeds going to support those who were in need. This would require faith, no? The Lord works in our lives in many ways to increase our faith. The principle of the Sabbath is helpful in understanding God’s desire for us to have faith regarding our sustenance.

The Sabbath principle of the Old Testament is somewhat ignored and/or misunderstood. It’s possible that not many Christians realize the full extent of the observance of the Sabbath in the Old Testament. According to the Ten Commandments, one day a week was observed as a day of rest. But in addition to that, every seventh year was a sabbath year, in which no plowing or harvesting was done. Not only the people, but the land, the animals and the foreigners had complete rest. Additionally, every forty-nine (seven times seven) years a special sabbath “Jubilee” year was observed, when all debts were forgiven, and all land that had been sold was returned to the family of original ownership (according to how it was parcelled out when Israel came into Canaan). The Lord Himself took the sabbath so seriously that Israel was sent to Babylon for the captivity for the number of years during which Israel had failed to observe the year of the sabbath (II Chronicles 36: 21). [As a personal note, I am making a revision of this book in my fiftieth, or Jubilee year, and hope to have an observance of Jubilee restoration this year.]

As I wrote above, a large part of the significance of the sabbath is that observing it requires faith. Those who observed it had to believe that the food which they harvested in the sixth year would be enough to supply them with food for the seventh year, as well as with seed for the next year in which they planted. I am not suggesting that we return to the tradition of observing a sabbath year. However, Hebrews 4: 11 tells us we are to “*labor...to enter into... rest,*” and the rest of Hebrews 4 links faith with sabbath rest. In the Old Testament, the sabbath was

observed out of obedience. The rest of the sabbath comes to us now because we trust that when we have done what we are to do in obedience to the Lord, He does the rest.

Regarding our finances—and giving—we are to have this same link between faith, rest and obedience. We have a quiet confidence and trust that our needs will be met, and when the Lord directs us to give or spend we are free to obey, and not constrained by either the pressure of human tradition or the fear of lack.

As with many of the topics in this book, I am not suggesting an absolute answer, but rather providing a starting point for learning and consideration. As Paul wrote in Romans 14: 23, ***“Whatever is not done in faith is sin.”*** Isn't it wiser to read the Bible, pray, and seek the Lord before coming to a decision rather than making a quick decision based upon what somebody else says or does, or based on some random feeling or thought? We likely will not all express our faith in the exact same way. In Romans 14: 5 Paul, in advising the followers of Jesus to whom he was writing, wrote ***“One man esteemeth one day above another: another esteemeth every day [alike]. Let every man be fully persuaded in his own mind.”*** The Lord said He would write His law upon our hearts (Jeremiah 31: 33) , and this is a continuing process (II Corinthians 3: 18). We will likely find ourselves in different phases of this transformation, and therefore we may have some small differences in the manner in which we serve the Lord. However we decide to serve the Lord we should be steadfast and faithful, and teachable: ready to change when the Lord shows us how He would have us change.

***I Samuel 15:22 says “And Samuel said, Hath the LORD [as great] delight in burnt offerings and sacrifices, as in obeying the voice of the LORD? Behold, to obey [is] better than sacrifice, [and] to hearken than the fat of rams.” The point is not to sacrifice, but to learn the will of the Lord, and do it. That is the only way in which to please the Lord.***

Unquestionably, we are to bring the first fruits into the storehouse (Exodus 22:29), and there is the curse of God robbing found in Malachi 3:9, which we certainly want to avoid. If we were to err it would be better to err on the side of giving too much. Also, it is important to present a perfect sacrifice. In the Old Testament the animal sacrifices were required to have no blemish or deformity of any kind. We aren't to give the Lord only that for which we have no better use, but the best, the first, and the finest. This sort of sacrifice can be expected to be felt. In other words, giving liberally will not always feel good, although we are to remain cheerful.

The reason the bearer of the seed going forth to sow in Psalm 126 is weeping is that the seed he is going to plant in the field is grain that could have been used to feed his family. But the farmer would know that the seed, once planted, could yield many fold much more. This principle can be applied to Christian giving, and also to sowing to a business, to advertising, and to all forms of investing. We can use something up today, or we can reap a harvest of it at some point in the future.

Don wanted to add a paraphrase of a parable to highlight some of his meditations on tithing and investing and so has written the following:

“In the parable of the talents [Luke 19] Jesus tells a story of three servants whose master is testing their ability to invest his money wisely. One decides “I know my master is in the religion business and I’ve heard he is really into this ‘tithe’ thing. I hope my master will be happy with me if I give 10% to the church. They can do the stuff my master really likes that I don’t have time to do.” The second servant decides “I know my master wants me to make money with his money, but I don’t know how. I think I’d better use my master’s money to hire some professional money managers to increase my master’s investment.” The third servant realizes “My master has given me a tremendous responsibility. I have a lot to learn about investing.” He buys books, attends seminars and spends a lot of time doing financial research on the Internet. He takes what appear to be risky chances with his master’s money. To the first servant he seems selfish and unspiritual. To the second he appears to lack humility. However, he doubles his master’s money. The second servant achieves a 50% increase, and the first servant has nothing to give to his master when he returns. The master commends the second two servants and rewards them with responsibility in his kingdom commensurate with their ability to assume responsibility and multiply what is given to them. The first servant receives no reward. In fact what he has not already given away is given to the servant who doubled his master’s money. The obedient tither doesn’t understand why his master is rewarding the unspiritual servant who obviously cares more for “mammon”, the god of this world than true spiritual riches. But he tells himself that his master is testing his obedience and in heaven he will surely be richly rewarded even if he doesn’t see increase in this present evil age.”

Two important ideas to consider are latitude and leverage. Based on Old Testament passages about tithing, there were specific times of the year in which it was appropriate to tithe, such as first fruits and harvest. If we set specific times in which to tithe that conform to our investing schedule, we have some latitude, and if we can leverage

finances, show a good return, then give the multiplied return this seems to go beyond the minimum requirement. In essence this is what the faithful servants in Matthew 25 did. They were given something by the master, increased it, then gave it back. Lord, help us to do so with our resources!

In closing this chapter and this discussion, I would like to note that In the book *Breaking the Power of Evil* Rick Joyner wrote fairly extensively about tithing as a New Covenant practice, based upon the model of Abraham giving a tithe to Melchizedec, who is a prophetic reference to Jesus. He wrote that when finances turn sour the first thing that should be considered is a loss of blessing coming as a result of a failure to tithe—even if it was inadvertent. I have tremendous respect for Rick Joyner, and believe this point of view should be considered.

## Chapter III True Riches

Matthew 6:31-33 *“Therefore take no thought, saying, What shall we eat? or, What shall we drink? or, Wherewithal shall we be clothed? (For after all these things do the Gentiles seek:) for your heavenly Father knoweth that ye have need of all these things. But seek ye first the kingdom of God, and his righteousness; and all these things shall be added unto you.”*

As I have said, Don and I have been intentionally applying ourselves to learn about many aspects of investing for the last year. We have done this in obedience to the Lord. In fact, at one point I was reading a book about investing in the stock market and I had a sense of His saying to me “Learn this well, you will be teaching others.” I didn’t think it would be this soon, but here it is.

So, truly, this process of educating ourselves has been done out of obedience. But at some points I seem to become engrossed in the learning process to the point that I can’t see the forest for the trees. In other words, as I focus on the particulars of investing I sometimes lose sight of the essential vision according to which I believe our efforts will bear fruit. Suddenly I will have the thought “What am I thinking, I can’t do this—I can’t become successful at this,” and my faith wavers. I sometimes forget the end to which I am studying. I am not trying merely to become an astute investor. I am not primarily seeking wealth, or even ways in which to increase wealth. I am seeking the Kingdom of God. If I seek first His Kingdom I have the promise that I will not only receive His Kingdom (it seems to me this is implied), but that all the other things I need and many I want will be added with His Kingdom. In other words, I needn’t and shouldn’t worry about having enough or getting by or becoming successful, but should concentrate on serving and obeying Him.

Luke 16:8-13 *“And the lord commended the unjust steward, because he had done wisely: for the children of this world are in their generation wiser than the children of light. And I say unto you, Make to yourselves friends of the mammon of unrighteousness; that, when ye fail, they may receive you into everlasting habitations. He that is faithful in that which is least is faithful also in much: and he that is unjust in the least is unjust also in much. If therefore ye have not been faithful in the unrighteous mammon, who will commit to your trust the true [riches]? And if ye have not been faithful in that which is another man’s, who shall give you that which is your own? No servant can*

*serve two masters: for either he will hate the one, and love the other; or else he will hold to the one, and despise the other. Ye cannot serve God and mammon.”*

As we approach this subject of investing it is very helpful to remember that wealth is not an end. Wealth can be a test by which it is determined how we will steward that which is precious. I've done lots of soul searching, and I have tested myself a little, asking myself questions about what I really want. I think about Job, losing everything and yet trusting the Lord. Attaining worldly wealth is not really my ultimate objective in this learning process. I want to be able to learn to handle true riches, and stewarding worldly wealth is the way in which the Lord has ordained for us to be proven in preparation for that. In this chapter I would like to highlight a few principles that release true riches in our lives.

## **Service**

The first is the principle of serving. The other day I was cleaning. I was moving some recyclables into the bin and it was messy work, with things like half-drunk old bottles of Gatorade and fast food wrappers mixed in with the aluminum cans. Yuck! As I was cleaning I was thinking “Only a few more years of this and then the kids will be gone and I won't have these messes.” That was when the Lord reminded me of His presence: “Feel this, let it soak in.” Yes, He meant the service, and the accompanying feeling of humility, and of doing something nobody else wanted to do, because nobody else wanted to do it.

I'd like to back up a few years to one of my first conscious lessons in the same school of service. At that time I was involved in a music CD project being put together for charity. I was responsible for the package design and was also liaison between our little group and the company that was burning the CDs and printing the packaging for us. Somehow I also became the person who ran around showing everything to everybody, getting approval from all involved and making sure we were all on the same page regarding the project. Once, after driving forty-five minutes for a five-minute meeting, I walked out to my car saying “Lord, why did you make me a woman?” [I was the only woman involved in the project and suspected my sex was the reason for my extra legwork.] I had a bad attitude and had cried out in my frustration, not expecting a response. But the Lord, in His kindness, gave me a reason for His making me a woman. He replied “So you could learn about service.” I was immediately humbled and repented from my attitude, giving thanks for my opportunity to serve. After all, Jesus came as a servant.

So, as I was moving the recyclables and cleaning the bathroom I was remembering that time and what I had learned. As I was meditating about service, and how the Lord had spent His last night washing people's feet, the Holy Spirit impressed upon me something else, "I can get people to preach, to travel to exotic places and to work miracles, but I can't get people to feed the hungry and serve." Wow. How simple it is to feed the hungry. Now I don't think the Lord was talking about giving money: paying somebody to feed the hungry. I think He meant feeding people who are hungry; inviting them over for dinner, or cooking weenies in the park, or whatever works.

God's economy is different from the one we are used to. Some of what has value for us doesn't mean much to Him. I think that above just about everything on earth He values people. He said if we were faithful with unrighteous mammon (money and stuff) He would entrust to us the true riches. So what are the true riches? Maybe the true riches are people who need to be served.

I have a sense that if we rejoice in service, as Jesus enjoyed washing the feet of His friends, the Lord will entrust to us the true riches: people to serve, His presence, and all that comes with Him: seek ye first His kingdom and all these things will be added to you.

## **Struggle**

### **Breaking Out: The Violent Take the Kingdom**

A Proverb says that violent men get riches. Jesus said in Matthew 11: 12 that the Kingdom has suffered violence and that the violent take it by force.

I must admit that this idea has been one that has baffled me for a long time. I graduated from high school in the Woodstock/peace movement era, and violence for me had only a negative connotation. Now I see that positive change in life may come, and the Lord has established a way in which we are enabled to be transformed into His image. But this transformation can call for almost violent effort, and sometimes the sort of grim determination that Jesus had when He "...*steadfastly [or intently] set His face...*" upon heading for Jerusalem.

The law of physics which says that a body at rest tends to remain at rest and a body in motion tends to remain in motion also seems to me to apply to people. People who are involved and active seem better able to remain so. People who are paralyzed by fear and inactivity seem to have a need to break out of those things before they are able to begin to move in a positive direction. If we are new to investing, and to the ideas about intentional investing as faithful servants of the Lord, we may be required to apply some effort to moving into a new wealth paradigm.

For many of us struggle and violence have a negative connotation. Yet in order to walk with the Lord in full obedience we must exert some sort of force over sin and our own weaknesses and fears. That force may need to be a violent one in order to be effective.

When the Lord created Adam He gave him work to do which would fit his abilities and interests and be a blessing. A part of the curse that came on Adam was that he would have to make a living by the sweat of his brow. Through the work of Jesus on the cross, by which the effects of the curse were reversed, the blessing of work was restored. Does that mean that being effective and productive is easy or comes without effort?

Would there be struggle in a perfect world? Would a butterfly need to labor to emerge from a cocoon if Adam hadn't sinned? Unless all the natural laws were repealed and there was no gravity, it likely would.

Did Adam struggle in the Garden? Seeing as how he gave in to temptation perhaps he didn't. However, he might have resisted sin, and that resistance likely would have required a struggle. Jesus is the second Adam, and He struggled in resisting sin to the point of sweating blood [Luke 22: 44], and it was written that He learned obedience through what he suffered, although He was never disobedient. Perhaps that was partly because of the fallen world He was in. He who was without sin still struggled against it.

Our heavenly father seems to revel in moving on behalf of His people who find themselves in the midst of terrible challenges and faced with seemingly overwhelming odds. Psalm 2 says that He laughs at the threats of His enemies, and I believe He is pleased when we take the position that it is impossible for Him to fail, and impossible for us to fail when we are completely aligned with His will and in the shadow of His wings.

If we find ourselves in a struggle as we make an effort to become faithful investors, or for that matter as we endeavor to serve the Lord in any capacity, we should not despair. We should not see the struggle (or even a failure or loss like Job's) as an indication that we are not in the blessing of the Lord, or are not up to the challenge of walking with Him. Rather, the struggle or difficult tasks are an opportunity to see Him do the unlikely or impossible: His specialty. We may rejoice, even in failure and tribulation, as Habakkuk did, saying that even if all the crops failed, the flock was lost and there was no herd in the stalls, he would still rejoice in the God of his salvation, who was his strength. David said the Lord increased or enlarged his steps under him. How did the Lord do that? Probably by giving David challenging places on which to walk.

In *A Horse and His Boy*, C. S. Lewis wrote that in Narnia the reward for completing a difficult task is often that of being given another, more difficult task. Even if a violent struggle is required, we are inspired by Paul's comment that it is possible to do all things through Christ who strengthens us.

Philippians 4:13 *"I can do all things through Christ which strengtheneth me."*

## **Redemption**

I want to write about redemption for those who have personal debt, and also for those who are afraid to invest or believe investing is a fleshly occupation and one to be avoided in order to maintain righteousness. Do you think investing is morally questionable? God has invested in us that which is most precious. In redemption something of value is given in exchange for the release of something of value. Jesus gave His life to redeem ours. Redemption extends to all areas of life.

OK, I know God isn't into money. He has no need of it and His only interest in it is to see what we will do with it. I once had a vehicle with a bad transmission. It needed to go in the shop, and to get it there I had to leave it, then walk about a half mile on a cold day to a parking lot where my daughter's car, which I was going to use, was parked. As I walked the bitter wind was chilling me. I was uncomfortable and unhappy, and I prayed "Lord, what's up with this? Why am I in this situation?" I had a sense of the Lord replying, "My kingdom is not of this world." I had to laugh a little at myself. Some member of God's army I was, blanching at a small walk and a chilly breeze. Of course

God isn't into money or cars or possessions, and I was appreciative and humbled by that reminder that He isn't, and that His Kingdom is not based upon things so trivial.

So God isn't into money or a Kingdom preoccupied with earthly trappings. But He is into things of value. In His ledger book, living things and especially people seem to be of the most value. In the vast complexity of this universe even a sparrow can't fall to the ground without His accounting system taking note.

Generally, when we in the Church talk about redemption we think in terms of spiritual redemption. However, redemption is fundamentally a financial principle. I realized this when I heard U2's Bono talk on TV about his plan for debt forgiveness for third world nations.

Our sin causes us to have a debt to God. Jesus used debt as the foundational idea in many parables He told about forgiveness for sin. A translation of the Lord's Prayer says "*Forgive us our debts as we forgive our debtors.*" I believe redemption is a spiritual process—of course. But I also believe the process is not limited to an internal change that never reaches the surface. Rather, the process of redemption embraces our whole beings: our giftings, our abilities, every part of our lives; and this also reaches to our finances.

I strongly believe the Lord wants to redeem our finances. And just as we need to participate in the process of spiritual redemption—even if our participation is a simple matter of yielding—we also need to be participants in our financial redemption (and not simply by buying lottery tickets in case the Lord wants to bless us ;-). We can do this by knowing and believing what the Bible says about the subject, and we can begin by doing a search for such key words as 'debt,' 'redeem,' 'redemption,' 'bless(ing),' 'creditors,' etc.

### **Letting Go; Loss of Control**

Matthew 13: 45-46 *"Again, the kingdom of heaven is like unto a merchant man, seeking goodly pearls: Who, when he had found one pearl of great price, went and sold all that he had, and bought it."*

Sometimes in order to invest in the precious we must let go of that which we currently possess which is worth less. As the man "seeking goodly pearls," sometimes we have to let go of one thing of lesser value in order to gain some-

thing of greater value. Here's a quote about control that I really like: "When we lose that which we most want to keep we realize that control was only an illusion. Then we can live our lives." Job lost all that was precious to him, just as he feared he might. Where did that leave him? It left him free to live the rest of his life, knowing that even if he did lose everything, if his worst fears became reality, he would be OK, and his relationship with the Lord would hold steady.

Abraham was asked to sacrifice his precious only son. As it turned out he didn't have to, but he had to be willing to. We know that in Jesus he who loses his life will find it anew.

What has value for us? Does a job, a retirement account, a life insurance policy? If the Lord were to ask us to surrender one or all of these things in order that His purposes may be more fully accomplished in our lives, would we be able to do so? Such a move requires faith.

It is this sort of faith that is required in order to invest with the boldness that will show large returns, both in terms of natural investing, and in the Kingdom of God. Why do you suppose the merchant in the parable bought the costly pearl? He was a merchant. It was an investment of surpassing value. He recognized the investment potential.

Are you ready to learn about recognizing investment potential?

## Chapter IV Unrighteous Mammon

Psalm 33: 8-12 *“Let all the earth fear the LORD: let all the inhabitants of the world stand in awe of him. For he spake, and it was [done]; he commanded, and it stood fast. The LORD bringeth the counsel of the heathen to nought: he maketh the devices of the people of none effect. The counsel of the LORD standeth for ever, the thoughts of his heart to all generations. Blessed [is] the nation whose God [is] the LORD; [and] the people [whom] he hath chosen for his own inheritance.*

This chapter has been added during a revision. I didn't want to reinforce the attitude prevalent in some corners of the Church that poverty is somehow holy and money is to be feared. Bill Johnson addressed the issue of poverty in his book *When Heaven Invades Earth*. He wrote that the Greek word for evil found in Matthew 6:13 (“...Deliver us from evil...”) is ‘poneros,’ which came from the from the word ‘ponos,’ meaning pain. That word came from the root word ‘penes,” meaning poor. Therefore, the evil from which Jesus suggested we pray to be delivered includes poverty. Don and I often pray that we will walk in the Isaiah 61 anointing that includes preaching good news to the poor and declaring the acceptable year of the Lord which I think of in terms of a season of restoration and redemption not unlike the year of Jubilee that was observed in the Old Covenant.

In a season during which Don and I were very engrossed in investment study and some experimentation with new investing instruments Don had a dream about watching someone who was parachuting behind enemy lines with the intention of freeing some prisoners of war. In the dream Don watched the jumper land within the prison which rendered him helpless to escape himself. He was imprisoned with the very people whom he was trying to liberate. We believe this was a warning dream for us, but I think a consideration of how investing might impact Christians in a less-than-ideal sense is prudent so I would like to identify some potential pitfalls.

The three great forces for evil with which we contend are the world the flesh and the devil. Challenges to our faith and obedience will come from each of these sectors as we endeavor to become faithful investors like the two in Matthew 25. I would like to consider how these challenges might come and will begin with the flesh.

Money is a force. Like electricity or the Internet it can be used for good or for evil. Jesus spoke of “unrighteous mammon,” and the Book of Proverbs tells us that the love of money is the root of all evil. From this wisdom we

may know that our attitude toward money can lead us deep into enemy territory so that our displaced affection can become a force for evil. For the investor there are two principle manifestations of the flesh. They are fear and greed, and Christian investors are not unique in finding we must wrestle with these aspects of our flesh. All investors who have not learned a measure of discipline in trading find themselves tossed between these emotions which will each trigger a unique set of investing mistakes. Fear will lead to hesitation and exiting positions before they are fully developed for maximum returns. Greed will lead to unmerited boldness which translates to the entering of bad trades. These emotions can result in a host of poor and costly decisions.

So how do we cope with our flesh? There are many fine books written about self-control, and these may be helpful. But we also must address our attitudes toward wealth so they blend well with the Father's plans and purposes for our lives. Paul said this in II Corinthians 6: 5-10 *"...In all [things] approving ourselves as the ministers of God, in much patience, in afflictions, in necessities, in distresses, In stripes, in imprisonments, in tumults, in labours, in watchings, in fastings; By pureness, by knowledge, by longsuffering, by kindness, by the Holy Ghost, by love unfeigned, By the word of truth, by the power of God, by the armour of righteousness on the right hand and on the left, By honour and dishonour, by evil report and good report: as deceivers, and [yet] true; As unknown, and [yet] well known; as dying, and, behold, we live; as chastened, and not killed; As sorrowful, yet always rejoicing; as poor, yet making many rich; as having nothing, and [yet] possessing all things..."* The Lord will care for us. Our circumstances, whatever they are, are temporary and of less consequence than our place in eternity where we are seated with Jesus in heavenly places.

Another realm in which we will contend to be faithful financial stewards is the spiritual realm. The devil torments us, telling us we're wasting our time, our money. We are losers, so why not just give up? As he questioned Eve and tested Jesus he will come and say "Has God really said," or "Isn't it written," and question the criteria upon which we have based our decisions to invest as well as sift our motives and intentions, and our faith. He will also feed the weak areas of our flesh, the greed and the fear, by reminding us of bills that are due, obligations which need to be met, etc., at times when we must be focused on our investing in order to do it well.

How do we address him? By submitting to God, resisting the devil so that he will flee. Then you can stick to your chosen investing system, learning from mistakes and capitalizing on successes.

The world is another realm in which we must battle. The world's financial system is filled with market makers, badly intentioned lenders, brokers who don't care whether we succeed or fail, all manner of charlatans who want to get rich by selling us services, seminars and advice as we become mired more deeply in poverty. Luke 16:8 says *"...The children of this world are in their generation wiser than the children of light..."* Every trade has a winner and a loser. Particularly in paper trading, for every person who makes money someone else loses it. There are people who want to get rich on your losses. There are those who search for ways to knock you out of positions so you suffer losses that become their gains. Naturally we don't take this personally and we trust the Lord to overcome. Jesus said in John 16:33 *"These things I have spoken unto you, that in me ye might have peace. In the world ye shall have tribulation: but be of good cheer; I have overcome the world."* One of my favorite passages about God's attitude toward the world is Psalm 2, which says that He laughs at the plans of those who disdain His lordship. He is not at all threatened by the world and neither are His plans for us. The counsels of the Lord stand when the counsels of those in the world fail! However, we must be faithful to prepare for the battle for financial restoration and redemption.

Rick Joyner said that wisdom calls for us to use the proper weapons for the sort of battle in which we are engaged. He stated that if we are in a physical battle we should use such weapons as guns, tanks and so forth, and that if we are in a spiritual battle we should use spiritual weapons. In accordance with this directive, if we are in a battle for finances, we must be equipped with the sort of wisdom and weapons (mostly principles and systems in this case) that will put us on as near equal footing with the others with whom we are battling for wealth as possible.

## Chapter V Three Paths: What Does Diversify Really Mean?

Psalm 75:6-7 *“For promotion [cometh] neither from the east, nor from the west, nor from the south. But God [is] the judge: he putteth down one, and setteth up another.”*

The whole principle of diversification is conceived around protecting oneself from catastrophe through various sorts of holdings. While this is a good—in fact foundational—investment principle, as Christians we realize that we cannot possibly protect ourselves from every unforeseen circumstance, and this is where trust in the Lord fills in a blank. It is the Lord Who lifts up one and puts down another, so, as I stated in the True Riches chapter, we don't seek wealth, rather we seek the Lord, and in His service we study and work to become faithful stewards of all of the resources entrusted to us. Learning to trust in Him is an essential part of our investing education.

I generally go for a prayer walk in my neighborhood on weekday mornings. We live a couple of blocks from a river surrounded by lovely hills and one one morning the route I took brought me in sight of a breathtakingly beautiful view. I sensed the Holy Spirit ask me “If you had this view all of the time (in other words if I lived there with that view) would you be happier?” I knew that for awhile I might be, but that eventually it would become a part of my everyday life and I wouldn't notice it so much anymore. Then I sensed the Holy Spirit ask me another question: “What would make you happier?” Immediately I said “Living without financial worries and pressures.”

Then I began to ask myself questions. If I had many real estate holdings, a huge sum of money in securities, and some very successful businesses would I be living without financial worries and pressures? Of course not. A business would mean people dependant upon me for their paycheck. Rental real estate could mean several tenants behind in their rent, and paper assetts can quickly fall in value. The blessing of God is no absolute guarantee that these things won't happen. Job's varied holdings all came to nought pretty quickly, didn't they?

As I examined my heart I realized something. I can worry with many valuable holdings, or with few. By the same token, I can choose not to worry no matter how thin my checkbook or how dim my prospects in the natural. If I am going to worry, I will worry whether there is something to worry about or no. If I am going to trust the Lord, I will trust Him whether I am facing challenges or no. The point isn't my circumstances, the point is my attitude.

Habakkuk 3:17-18 *“Although the fig tree shall not blossom, neither [shall] fruit [be] in the vines; the labour of the olive shall fail, and the fields shall yield no meat; the flock shall be cut off from the fold, and [there shall be] no herd in the stalls: Yet I will rejoice in the LORD, I will joy in the God of my salvation.”*

So, now that I've expressed why diversification is not the last word in successful intentional investing, I'll begin my foray into sharing practical investment information with an explanation of diversification.

This chapter is a sort of introduction to the chapters that follow. Before I get into strategies I want to give you some idea what a strategy might consist of or contain. Also, I would like to say now that if you find yourself not entirely grasping something about which I have written here or in the following chapters, try to continue reading anyway. A wise man once said that the thing which distinguishes the wealthy is their financial vocabulary. If you don't have a large one you will soon pick one up as you read. Just keep reading and don't give up. I hope you find the glossary at the end of the book helpful.

No doubt you have heard talking heads, friends and others with a little investment knowledge or possibly with a lot of investment knowledge talk about “diversifying” one's investment. What does this mean? Different people, depending upon their orientation, may use the term in reference to somewhat different things. For instance, somebody who likes mutual funds as an investment may use the term to mean that he/she is in a few different funds. Somebody who invests in individual stocks may apply the term to his/her portfolio that contains ten different stocks in ten different industries.

These examples do pertain to diversification, but not in a broad enough sense to do much good. If the entire stock market were to collapse what good would it do you to own a variety of stocks? There is a much broader diversification ideally suited to anyone who wishes to invest with intentionality.

There are three types of investments, and I have used the term ‘path’ in referring to them, because they are three means to the end of increasing wealth. One path is real estate, one path is paper assets, which include stocks, bonds and the like, and another path is business ownership. Beginning with chapter six I will cover each of those investment paths in more depth but for now I would like to say that a truly balanced investment portfolio contains all three of these type of investments, and diversification within each type.

In investing there are also two subtypes of investments which it is helpful to understand. There are investments which bring capital gains, and there are investments which bring cash flow. Paper assets generally bring capital gains because you seek to buy a stock at a certain price, watch it grow in value, and then sell it, hopefully re-investing the proceeds. Rental real estate and businesses bring you cash flow income (presuming you have invested wisely) until you sell them, at which time they would bring you capital gains. If eventually you would like to live on income from your investments and you want a steady income on which to depend, you will want to hold some investments that will bring you cash flow.

Capital gains and cash flow investments work together to increase wealth. For instance, you can make a well-educated stock purchase, hold it until it increases in value to a certain point, then sell it. When you sell the stock holdings, the proceeds from the sale can be used as a down-payment on rental property, or on a small business. When a part of your cash flow is sown back into capital gains investment purchases like the stock market, a cycle of increasing wealth is created.

There is another good reason for diversification. True, it would likely be easier to become expert in just one of these types of investment and focus on that. But then your portfolio would be vulnerable. If you have real estate holdings, at least some of your financial resources are protected from the collapse of a stock market bubble like the one that rocked many people in the spring of 2000. If you have a small business (or many large businesses) you may have steady income if/when there is less demand for rental homes and commercial real estate.

### **Liquid Assets**

Another consideration in diversification is how liquid various assets may be. In other words, if a situation arises in which extra cash is needed, what will you be able to sell in order to get that cash? Some assets might lose substantial value if they were sold too soon or at the wrong time.

For instance there might not be as many people in the market for small hotels as for other types of real estate, and if all your real estate holdings are small hotels, you will have difficulty liquidating a part of your real estate holdings. In order to get the necessary cash (and there are many reasons it might be necessary), a loss would have to be taken.

## **Risk to Reward**

There is another sort of diversification to be considered. Generally, riskier investments have the potential to bring greater rewards. As an example, think of someone who might have been asked to invest in the new idea the Wright Brothers were working on. Would you think it would be risky to invest in a “flying machine” that might or might not work? Yet the reward potential of investing in a new idea that actually did take off (forgive the pun) would be great. Riskier stocks might have potential to show the greatest gains (though this is not a given).

Ideally, in diversifying and balancing holdings some investments may involve somewhat higher risk, looking for greater increase, and some should involve lower risk, with somewhat less potential for increase. This idea is examined in more depth in the Strategy chapter.

Although some risk is acceptable in intentional investing, finding relatively safe investments that have potential to increase dramatically in value is a large consideration. As knowledge and wisdom increase finding those investments becomes more possible and investing becomes less risky. Here I would encourage you to set some time frame for yourself, and in that time frame give yourself to learning, and don't begin to invest until the time frame has passed. Of course, you will continue learning after you begin to invest, and hopefully continue indefinitely. But setting aside a time for learning instead of dashing out to invest in a heated rush will protect you from learning about investing in the most common method: losing large sums of money.

One benefit of diversification is knowing that if an investment turns sour not all of your assets are threatened, therefore it is possible to be less emotional and more objective. Intentional investing—and all disciplined investing—is based upon logical decisions made according to criteria that is set before the decision is made, rather than being based upon emotion, or as a reaction to circumstances the investor has failed to consider and plan for. And for those who have prophetic tendencies I will offer this as a general rule: don't intuit investing decisions, as it is very hard to objectively hear when your money is on the line. Separating emotion from intuition can be very difficult. I would not absolutely rule out the Lord speaking to offer investment counseling (and if you have a specific dream like Joseph interpreted for Pharaoh I hope you will attend to it). However, if you have wisely set a framework within which you are going to invest you can probably trust Him to work within that framework.

True investing is not the same as gambling. True investing is learning to find things that will likely increase in value and/or yield a steady income, and purchasing them and holding them as they do. Some people see investing as being about as likely to yield a healthy return as a lottery ticket. The difference between this type of toss-of-the-dice of investing and intentional investing begins with education and purpose. In intentional investing we can have a goal and a plan by which we expect to reach our goal. Many refer to this as an investment strategy.

## Chapter VI Strategizing I: Count the Cost: Assessing Resources, Abilities, Giftings, Visions, Goals and Dreams

*Luke 14:31 “...What king, going to make war against another king, sitteth not down first, and consulteth whether he be able with ten thousand to meet him that cometh against him with twenty thousand?”*

I've read quite a few books about investing. Some of the books have titles that begin with “How To,” and continue with something rather specific, like “Make Millions Beginning With A \$6000 Investment.” I read one book in which the author insisted that the best way in which to invest in rental property is to think small, stick with single-family dwellings and duplexes located near the investor, with the investor handily making all repairs, and being directly involved in every aspect of rental management. I read another book in which the author suggested that an investor call public meetings of potential investors and propose the purchase of large apartment complexes which would be professionally managed, with investors initially splitting the down-payment and later the cash flow and/or capital gains. This author happened to be a CPA who already had many clients who would trust his judgment and enter into an investment with him.

Some of these “How To” books are general enough to apply to many people, but some of them are very specifically tailored to the knowledge, abilities, connections and other resources of the author (and perhaps the reason for this is the fact that very few people have in-depth knowledge of and experience in many investment strategies, and I will clearly state here that I don't have experience with all of the strategies about which I have written, and therefore, I have not written in depth, but as an introduction and to spark imagination). Most how-to books are formula books. They can be fairly easily read and understood, and some of the ideas in them can be implemented. Some of the ideas can't be implemented, because the reader simply may not have the same resources, abilities and even interests of the author. If an author has a background in sales he/she may suggest that you invite friends over to “sell” them on participating in an investment deal with you. If an author is an accountant he/she may recommend that you put together complicated financial deals. When in the furtherance of your stewardship education you find yourself reading a formula book about investing I hope you will read it carefully, enjoy it and learn from it. Likely, when you are finished you will have gleaned some useful information. But you will have to devise your own formula, fitting your resources, etc. You have your own strengths, your own background, your own interests. Please take some time to assess these and consider how they may be fit together to form your own investment strategy. You also have your

own dreams. The Lord has likely given you a vision for your life and this should be considered as you devise your investment strategy.

### **Desire/Vision**

Vision or desire seems to me to be one of the best places to begin taking stock as we enter the process of forming a strategy for investing. In Psalm 37:4 the psalmist wrote *“Delight thyself also in the LORD; and he shall give thee the desires of thine heart.”*

To my way of thinking, in referring to the path of our lives, if we are surrendered to the Lord rather than being in bondage to the flesh, the words ‘desire’ and ‘vision’ can be used almost interchangeably. A desire to do something (ministry, outreach, career) is often the first sign that the Lord has called us to that thing.

So what is it you want to do? If money, time, abilities and other resources were no object, how would you live your life? What aspects of your current occupation do you enjoy and what aspects do you dread? Generally speaking, the things we enjoy most are the things areas in which we have potential to be very good. When we are able to develop these areas in which we have potential we will be wisely stewarding our abilities, which are gifts from the Lord. One of the characters in the film **Chariots of Fire** said “He made me fast and when I run I feel His pleasure.” Where do you feel His pleasure?

### **Dreams/Goals**

Just as ‘vision’ and ‘desire’ are interchangeable in this discussion, so are ‘dreams’ and ‘goals’. A friend once told me “A goal is a dream with a date attached.” That makes great sense! So what is your dream? What is the ultimate culmination of your life that you would wish?

Jeremiah 29: 11 says *“For I have known the thoughts that I am thinking towards you—an affirmation of Jehovah; thoughts of peace, and not of evil, to give to you posterity [some translations use the word ‘future’] and hope”* [Young’s Literal Translation].

We as Christians have no reason to fear that our lives will be lived insignificantly or will be wasted. We of course can be poor stewards of time and other resources and live insignificant lives if we so choose, but this insignificance does not originate with the Lord. His thoughts toward us are for peace, for us to leave an inheritance as well as those who will inherit, and for hope. If we set our expectations according to our unredeemed low self-esteem, or according to the unredeemed, fearful, competitive people around us (in case you've never heard of the crab principle I'll put it in the glossary), they will likely be much lower than the dreams and goals which the Lord might inspire in us. He considers us His children, and, as He has a rather high—and completely justified—opinion of Himself, He desires to draw us up and teach us to walk on lofty heights, as Habakkuk 3:19 confirms: *“The LORD God [is] my strength, and he will make my feet like hinds’ [feet], and he will make me to walk upon mine high places.”* As you examine your dreams and set your goals please try to avoid setting your sights too low.

## **Resources**

As you consider your resources, the things that likely first come to mind are such things as bank accounts, home equity, computer equipment, and other material possessions. Naturally, these obvious resources should be considered. Take stock of these things, and make a written list. In fact, making a written list of all the considerations in this chapter will likely help you focus, and lend specificity to your process of devising a strategy.

No matter how inadequate your material/financial resources may seem to you as you assess them (and try to remember, \$5 is a lot of money if you don't have it when you need it, and \$1,000,000 isn't much if it isn't enough to meet your obligations), by all means be realistic but please try not to become discouraged. There are other resources you have, and they will count for something as well.

Consider your background. Do you have a real estate license or a degree in a field in which you are not now working? Have you had a significant life experience that increased your wisdom, such as an auto accident, a recovery from a serious disease, or have you survived a traumatic emotional experience? Such wisdom may be valuable to others, and you may be able to share it to benefit others and also prosper yourself in the process.

Consider your circle of friends. This all gets sticky for me, as I don't feel at all comfortable using my friendships in order to further my own interests in such situations as multilevel marketing involvement or direct sales to friends.

However, there are ways in which our friends can help us (and we them) in our quest for fruitful investments. For instance, you might have a background in design and a flare for fashion, while a friend may be a top-notch seamstress, so that the two of you together have potential to create original fashions.

The point here is realizing that, indeed, we have valuable resources, and finding ways in which to piece them together into effective and workable investment strategies.

## **Giftings/Abilities**

Now is the time for you to take stock of your abilities and consider your giftings. Sometimes seeing these for ourselves can be difficult. If you are uncertain, or having difficulty identifying unique abilities you have, you might want to ask for input from a spouse, a parent, or a friend. Be sure to find someone who is a supportive, positive person. You want encouragement, not negative, defeatist comments. As an aside here, as you move into becoming intentional about investing and share your excitement and hope, you may find that some people have a negative response. I hope you won't take this too seriously. Sometimes people don't want others to do what they themselves are afraid to do. Others may project upon you their fear or lack of faith and hope. Rick Joyner has wisely said that fear is faith for the things you don't want. It's so much preferred to have faith for the things we want than to have faith for the things we don't want.

So, what are your abilities, talents, gifts and the like? What have you done well in your career? In what have you excelled in your hobbies or other pastimes? Do you think intuitively or in a structured way? Are you better with numbers or words? Are you more fulfilled working with things or with people? Do you write, draw, paint, take excellent photos, repair autos, have an interest in and knowledge of antiques, or excel in fitness? Any of these abilities can go toward developing a business.

How do your skills fit with a spouse or close friend who will be an investment partner? Don is a whizz with numbers and I like to keep current with news and events, so together we are able to get ideas for stock market investments. I have the gift/ability to take large amounts of information and distill it down into something that makes sense, and can be assimilated into everyday life. This ability has enabled me to write this book.

As you begin investing, it's prudent to learn first, and then do. Pertaining to many areas of investing Don and I are still in the learning phase. But if there are things you already know, you can begin now to do things with that knowledge. Do you trade in online auctions? You can take the interests you already have, add a bit to your knowledge, and begin to sell online for a profit. This sort of undertaking would be considered a business investment and would serve to bring capital gains which could then be invested to increase cash flow. In other words, while you are learning about real estate investments, which often serve to contribute to increased cash flow, you can trade items on Ebay about which you have specific knowledge in order to raise cash for a downpayment on your real estate investment. This is how various types of investment vehicles work together.

### **Risk to Reward**

I mentioned this principle in the Diversification chapter, but it must be carefully considered in counting the cost and forming a strategy. Do you hold mutual funds? I hope you won't be offended, but they aren't a very good investment. Are they safe? Yes, reasonably. Do they return a good yield? If you hold mutual funds you can probably answer that question better than I. They are diversification-in-a-box, so some safety is built in. But there are rules that govern fund managers (to help make funds safe for the uneducated) that also serve to limit yields.

Of course, a savings account is safe (unless, that is, someone steals your identity, which happened to my son as a minor when he had his \$200 savings account cleaned out by someone who knew his social security number), but here you will show even less gains than in a mutual fund. Putting money in a bank is better than burying it in the ground—as Jesus said in Matthew 25—but not much better.

Buying a house in which to live is a sort of real estate investment that is fairly safe, and you may show some increase when you sell, but when you consider repairs, inflation, taxes and other expenses, you may not see breathtaking gains. You can probably do better.

In contrast, consider race horses, at the other end of the risk/reward spectrum. Many horses with great dams and sires lose races. When one wins, it pays the expenses of many others who have lost. But not many people can afford that sort of risk.

What level of risk can you live with? Many writers and advisors suggest different levels of risk for different times in life. When people are young and [presumably] have many working years ahead of them, they are told that they should accept a higher level of risk in their investments. At the other end of the spectrum retirees are counseled not to assume much risk in investing. Some counselors even set percentages of investment in various vehicles they recommend for different age groups/phases of life.

There is some wisdom in this, but you may be fifty years old and still want to be an aggressive investor. Or you may be twenty-five, just entering a great career, and lack the time and/or interest to learn much about investing to decrease the risk in aggressive investing, in which case you want less risk. The level of risk-to-reward is best considered as a part of a personal strategy, custom tailored to the individual investor. How much intensity can you take? At an investment meeting Don and I once met a man in his early thirties who had been a very involved day trader. When we met him he had decided that approach was too demanding. He was readjusting his strategy so he could trade more on a daily or weekly basis rather than minute-by-minute. We have also met men who are retirement age and beginning to day trade, and are very successful at it.

Not all high-reward investments are very risky, and the best way in which to decrease your risk is to get more information, although some risk is implied in just about any sort of investment. How much increase do you want to show? You might want to once more consider the ideas about faith and fear in Chapter II that are gleaned from Matthew 25.

## **Desire**

I want to consider desire in a different context. When I raised the subject before I was referring to it in terms of desire to do a certain sort of work, or to release something stored up. At this point I would like for you to ask yourself how much of yourself you want to invest in becoming an astute investor. As I will mention in other chapters in a more specific way, there are levels of investing, and each level has its corresponding level of commitment.

How much time are you willing to give? And even more than time, how much effort are you willing to make? How committed are you to learn—and continue learning even when your investments yield a good return? Like anything else, becoming an able investor will require something of you. Robert Kiyosaki, author of *Rich Dad, Poor Dad* (and

other good books on the subject of money management), has written that having too much money can be as great a concern as not having enough. If you have a lot of money you will have to know what to do with it. How many rock stars, sports heroes, and lottery winners wind up penniless paupers? While it's true that at a certain level of wealth it's possible to hire money managers who will look after funds, but some level of knowledge is necessary even to know that a money manager is needed and what sort of job he/she is doing. Not everyone who has hired a money manager is ensured increasing wealth. Even professional money managers need some degree of involvement and direction from those who hire them to look after fortunes. A series of bad decisions can decimate even the largest fortune.

As you count the cost of various investment strategies, try to factor in this consideration. How proactive do you want to be/can you be in building wealth? How much do you want to learn? As with any other aspect of investing, the more you put in the greater the return you will be likely to show.

## Chapter VII Real Estate

*Psalms 125: 3 “For the rod of the wicked shall not rest upon the lot of the righteous; lest the righteous put forth their hands unto iniquity.”*

The concept of land ownership was championed by the Lord in the Old Covenant. Families identified strongly with their land, which was passed from father to son, and, in families with no sons, daughters inherited. At the end of the Book of Job, it is recorded that the daughters of Job inherited along with their brothers. Land ownership was considered such a crucial aspect of life that title to land could only be sold for a set period of time. At the end of every forty-nine-year period of time all land reverted to original ownership.

Land is a place to live, a source of food, water, fuel, building materials, minerals, and the place in which we are buried. While we are pilgrims on this earth, land is our temporary home. Land ownership has been actively sought and vigorously preserved for millennia, as it still is today.

The phrase ‘real estate’ was not coined in reference to land being ‘real’ property. Rather, ‘real’ is a Spanish word referencing royalty (similar to ‘royal’). In many civilizations royalty or those who govern have been considered to be the true owners of the land, as the concept of taxes implies. A property tax is almost a sort of user’s fee. Governments and rulers have a wish to control or claim that which is most valuable in their estimation: land. Historically land is considered to be of surpassing value.

This is the stage that is set for real estate holdings to be considered as a part of a balanced diversified portfolio. While there sometimes are “bubbles” in real estate values, land tends to hold its value at worst, and increase in value dramatically at best. Although I have not had extensive experience in this realm of investing, I recently obtained my California DRE license. and began serving as a mortgage loan officer. There are various ways in which to prosper from this tendency of real estate to increase in value, and I have come across some ideas which I in turn would like to share here.

## OPM

One of the most significant principles in real estate investing is “Other People’s Money.” Real estate is generally purchased through loans. These loans can be made by banks, by the party from whom the property is being purchased, by such entities as insurance companies, investment trusts, finance companies, by private lenders, and others. It is possible for a developer (read ‘you’ if you are motivated enough to do some due diligence) to borrow interim money as a down payment on a piece of property, get a written promise from a bank for a loan of 80% of construction costs, advertise that condos (which is what this project builds) will soon be available, begin to sell condos and collect down payments on sold units, use the cash from down payments as operating capital, put up the building and sell the remaining condos. Am I doing this now? No. I’m still in a learning process myself, and finesse to do these deals doesn’t come overnight. But this sort of deal is legal, is done on a fairly regular basis by those who have the right information, is potentially very profitable, requires very little beginning cash, and is *possible* for ordinary people who are willing to learn and apply themselves: for you and for me.

That is the sort of thing that can be accomplished using Other People’s Money. The full-time occupation of many people is finding borrowers with good ideas for real estate projects. There are all sorts of possible projects, and I’d like to highlight a few, just to inspire you to think and consider how you might fit them into an investment strategy you form.

### **Restoration Projects**

Often the best buys in real estate are homes that need some TLC and are located in fairly nice neighborhoods. The neighborhoods don’t even have to be the absolute best, but pleasant family neighborhoods. Homes vacated by elderly owners who haven’t been able or inclined to maintain a home perfectly can be a great opportunity for investment, and finding such homes is not impossible or even terribly difficult.

If done wisely, with some accurate knowledge of local real estate values, these homes can be bought, cleaned, updated, painted, landscaped and sold for more than the purchase price plus the cost of improvements—and sometimes significantly more. A home fitting the description above and located a few blocks from our home went up for sale in the early spring. I went to realtors.com and learned that the asking price was \$385,000. I was watching it,

thinking of calling the realtor (regrettably I didn't), and noticed that after about two weeks the 'For Sale' sign disappeared. I guess I thought about it a little too long. By late summer the house was beautifully landscaped, had new windows, a fresh coat of paint, and was looking good. I thought "Wow, I wonder how much money somebody put into improvements," and I wondered what sort of yield the person who bought it would have on his investment. I didn't have to wonder long. Soon I noticed another sign stating that the house was for sale. I looked on realtors.com again, and learned that the asking price is now \$685,000. It hasn't sold yet, but it will. The person who bought it for the original price likely invested somewhere in the neighborhood of \$60,000 as a downpayment, and put in maybe another \$50,000 if they hired all of the work done (this could have been accomplished with borrowed money too). So, for an investment of between \$60,000-\$110,000 the investor made somewhere in the neighborhood of \$250,000-\$300,000, assuming the house sells for at least \$600,000, which seems likely. That is not a bad return on investment, is it?

### **Adding Square Feet**

In most places and under most circumstances the cost of building per square foot is less than the value of the building. This is good to know when considering undertaking a construction project, but it is also helpful knowledge on a small scale. A house can be bought in a pleasant neighborhood, and, if the lot and zoning laws allow, an addition can be added which will add much more monetary value to the property than the work of building will cost. Practically, this means buying a house, especially one that is somewhat smaller than those surrounding it, getting a home improvement loan along with the mortgage, having the addition put on, and selling the house for more than the original cost plus the cost of the addition. Voila: capital gains money that can be re-invested to turn an even larger profit!

### **Single-family Rentals**

One consideration in the diversification chapter is how liquid you want/need various assets to be. Of real estate investments, the type that is most liquid is probably the moderately-priced single-family home with three bedrooms and two baths. In desirable neighborhoods these type of properties are in demand just about all the time.

Many experienced real estate investors strongly favor this type of rental, as often those who rent such homes are established and somewhat stable families. This type of renter is generally more likely to pay bills, care for a home, and be reasonably clean and responsible, which makes being a landlord somewhat easier.

Another advantage of this type of rental is the fact that the cost is less, which means that the required downpayment is less, and the asset is easier to acquire. A higher percentage is often required for downpayments when purchasing apartment complexes and commercial properties.

This type of rental would include vacation rentals that would rent by the week or weekend as well. However, most such rentals are rented by the month, with a lease required. This sort of property could in theory be managed by an owner, although if many were owned, or they were in different geographical locations, hiring a rental property management company would be beneficial.

When entering this sort of investment it is important to be sure that the property would generate a positive cash flow. It's necessary to know what the monthly mortgage payment would be, what the property will rent for, how often the property might be without a tenant, and for how long (this is called the vacancy rate), and what sort of maintenance expenses the property will be likely to have. Realtors can help with information about local vacancy rates and mortgage payments. Of course, if a rental management company is required its fees must be paid out of the rental income as well. Although not ideal, a negative cash flow (meaning the cost of owning and maintaining the property is more than the rental income), might be acceptable if the property is expected to drastically increase in value. Of course, there is a tax advantage here, if you require one. However, a tax savings is not usually preferable to showing a profit.

## **Condos**

Owning individual condominium units as rentals is in many ways like owning single family homes, except that condos, as a rule, aren't as easy to sell as single family homes, and they may not increase in value as quickly. But for that reason it may be easier to purchase a condo, and the downpayment may be less. Not all condos allow for owners who are not themselves occupants, which is an important consideration in purchasing them. A good realtor can help get all such details.

Finding a knowledgeable and helpful realtor can be a great boon. You can tell a realtor what sort of property in which you are interested and he/she can help you find something suitable.

### **Plexes**

Another type of residential rental is a small complex, duplex, triplex, etc. Someone just beginning to purchase real estate might pick up a duplex, live in one side and rent the other, letting the income help with payments.

Plexes are a step up from single-family rentals, with more rental income potential, a likely larger downpayment, higher maintenance costs, and potentially more complaints and difficulties related to a higher number of tenants. They also would likely be more difficult to re-sell.

### **Large Complexes**

These would likely require professional management, and a large downpayment. But when one is ready this sort of investment would have potential to generate substantial cash flow income. With the aging of the Baby Boomers senior communities, consisting of condos, individual homes, or even mobile homes will likely become more popular.

### **Resort Properties**

Hotels, motels, campgrounds and recreational vehicle parks are possible real estate investments. They would need to be intensively managed, and business considerations such as advertising would be necessary.

### **Commercial/Industrial Properties**

This type of property could be anything from a warehouse to a shopping mall or a restaurant. Often business owners prefer to rent space for their businesses rather than buy it. Naturally, this type of property is often expensive to purchase, but, as with any type of real estate, it's possible to find properties that are undervalued and profit from their purchase.

## **Development/Subdividing**

Property can be purchased as farm land, the zoning can be changed, and the real estate can be developed, yielding gains. Simple subdividing increases land values substantially, but if you are so inclined you can remain involved in the project through the completion of development. This sort of real estate investment requires know-how and finesse, and is definitely not for beginners. But if this is a dream you have, or something you have always wanted to do, learn about it, get counsel about it, pray about it and do it!

I won't get into a lot of detail here regarding the process of becoming a real estate investor. At this point I simply wanted to spark your interest and imagination, and help you feel that being a real estate investor truly is within your reach, at least on a level with which you feel comfortable. You can always begin small and grow from there, as in the other types of investing.

## **Real Estate Options**

An option gives a person the right to purchase a certain property at a certain price, and, if specified, under certain conditions. For instance, an option to buy a piece of property pending a zoning change or subdivision or such can be purchased. This gives the holder of the option first right to purchase the property, and, therefore, the property can't be sold to anyone else while the option is in effect. Options to purchase may also be sold.

Chapter twelve is also about real estate. There I have listed some resources that can spark some more ideas and help in getting started.

## Chapter VIII Paper Assets

*Matthew 25:26-27 “But his lord in answer said to him, You are a bad and unready servant; if you had knowledge that I get in grain where I did not put seed, and make profits for which I have done no work, why, then, did you not put my money in the bank, and at my coming I would have got back what is mine with interest?”*

The master in the parable suggested that this form of paper investing, putting money in a bank, requires the minimum investment effort possible. This can give us some clue as to the sort of yields one can expect from savings accounts, and even CDs (certificates of deposit): not great. However, some paper assets *can* be great investments, yielding great capital gains income that can in turn enable an investor to break into real estate and/or business investing.

There are several investment vehicles available as paper assets. There are stocks, options, bonds, mutual funds, futures, and of course interest-bearing savings such as CDs. In most of these investment vehicles there are many approaches to investing, and many ways to choose potential winners. If you look at any investing newspaper or website, or at the business section of large newspapers, you will find ads placed by companies who want to sell you investment advice, or software or information that will help you pick the best investments. Some of these companies and their information are very good, and can truly help in making wise investment decisions. I've shared links to some of my personal favorites in Chapter XIII, the resources chapter on paper assets. Here I would like to give you some idea of the variety of and potential in these assets.

### **Savings Programs and Accounts**

Before the stock market crash and run on the banks in 1929 even banks were not completely safe places in which to park money. But the FDIC now insures standard bank accounts, so banks are reasonably safe places to invest. Interest rates yield some increase, although in most economic seasons, those interest rates will barely allow one to keep up with inflation, let alone make any investment headway. Just check with your local bank to learn what their best rate is at which your money may accrue interest.

## **Bonds**

A bond is a debt instrument that pays a set amount of interest on a regular basis. Bonds issued by governments, such as municipal bonds, often provide tax-free yields. When interest rates are higher, bonds can be a reasonably good and quite safe investment.

## **Mutual Funds**

While huge numbers of investors choose this means of investing, there are a number of reasons not to invest in a mutual fund. Do you know that many mutual funds do no better on average than some of the stock indices? It is true that astute professionals manage mutual funds, so why don't they perform better? Mutual funds often trade with billions of dollars, and invest huge amounts of money in the stocks they choose. Therefore they can't move quickly into and out of positions, or they would artificially inflate or deflate stock values. There are regulations that govern the amount of money large fund managers may move, and how quickly they may move it, which means that trades can't be made quickly enough to fully capitalize on changes in markets and in individual companies. Also, there are more mutual funds than there are stocks available to trade—loaded, no-load funds, etc. Therefore, some research must be done before choosing a mutual fund, so why not simply research stocks and pick some winners? There are criteria generally met by winning stocks and ways to find stocks meeting that criteria, and some of these will be highlighted in this chapter under the heading Stocks, and also in Chapter XIII.

## **Futures**

Futures are agreements to purchase or sell for a set price at a specified date in the future. Futures can be held on commodities (such as pork bellies, wheat, crude oil), on securities (stocks and the likes), or on currency (as values of various currencies related to others changes). A few months ago (summer of 2003) government officials were considering selling futures on whether there would be another terrorist attack. Fortunes can be quickly made or lost trading futures. Have you ever seen the Eddie Murphy/Dan Akroyd/Jamie Lee Curtis film *Trading Places*? If so you have some idea of how commodities futures are traded.

There are methods of trading futures in which ordinary people can be quite successful. There are a couple of programs with which I am somewhat familiar. One is quite expensive (around \$1,000/month for complete subscription), and the other is nearly free. The first is Tetter Totter and the other is Woodie's CCI. Both web addresses are included in the resources chapter. Tetter Totter recommends all trades, while Woodie's CCI is a system for reading charts which is learned and can be applied to instruments other than futures, such as individual stocks, and virtually any index that can be charted.

## **Stocks**

Stocks are shares or small portions of a company. Companies issue stocks in order to capitalize (pay for) projects and undertakings, to allow for growth. When you hold a stock you possess a portion of the underlying company. Generally, when the company prospers, stocks increase in value, and, therefore, shareholders also prosper along with the company. Investing in stocks can be done by anyone, with very little beginning capital, and limitless possibility for gains. True, there is potential for loss, but risk can be managed with a carefully considered set of trading rules. In the stock market money comes into one person's pocket from another person's pocket—there are winners and losers. Careful stock selection and knowing when to get into and out of a trade will create a flow into your accounts, not out of them. And money can be made when the market is going up, when it is going down, and when it is holding fairly steady, *if* you have an idea which of those scenarios is likely, and what to do in each scenario.

Market timing is probably the most crucial aspect of investing in stocks (really, in any form of investing, but in the stock market this is very pronounced). When the market is rising, seven out of ten stocks will increase in value. When the market is dropping, nine out of ten stocks decrease in value. So, as you see, one can choose very good stocks with great potential and still lose, if the market is going down. Or, conversely, one can choose rather average stocks and still make money if the market is rising.

So, how does one time the market? There is no fool-proof method for timing the market. However, the market gives signals as to what is likely to happen next. Most of these signals are based upon such things as index values crossing the average of the values as calculated for a number of days (this is known as a moving average, and is shown on a graph or chart). Timing signals may also consider the volume of shares traded on up days and down days, and other indicators. Some people use complicated wave pattern theory (Elliott Wave) in determining timing. Most seasoned

traders have their pet timing method, and a few will be referenced in Chapter XIII. Don has devised a quite accurate proprietary market timing formula, and has made the signals generated by the formula available through monthly subscriptions which can be acquired at <http://www.s2pmarketsignal.com>, where he also offers stock picks (his model real-time portfolios on the website all gained between 104% and 225% for 2005).

As with most aspects of trading and investing, each person must settle on a method with which he/she is comfortable. A timing method that is too complicated or requires too much time to follow will not be of much use, no matter how accurate it may prove to be, because most people have better things to do with their time than spending hours trying to learn what will happen next with the market, especially since some newsletter publishers who do nothing but time the market are occasionally proven wrong. Sand 2 Pirls Market Signal (<http://www.s2pmarketsignal.com>) gives clear, easy to read signals on a weekly basis, with recommended thresholds at which, if crossed in the course of the week, trades could be entered or exited.

Once one has some idea of market timing, specific investments may be chosen. It is possible to buy stocks based upon an entire index, such as QQQ, a stock based on the NASDAQ composite, but holding index stocks rather defeats the idea of diversification that is accomplished when a variety of stocks are held. It would be great if all trades were winners, but this rarely happens, and losing stocks should be dumped, quickly, according to guidelines set ahead of time, and without emotion or any sentimentality, and replaced by stocks with greater potential for increasing value, while winning stocks should be held as they increase in value.

So how does one choose winning stocks? There are three essential aspects of stock characteristics to consider. They are referred to as fundamentals, technicals, and contrarian indicators.

In evaluating stocks, fundamentals are the essential facts about a stock, and about the underlying company. Fundamental analysis considers such things as a company's share of its industry's business, increase or decrease of sales for the year and current quarter, increase or decrease of earnings (year-over-year, and even quarterly), amount of company debt, the strengths and weaknesses of the company's management team, insider trading (whether members of the management team are buying and/or selling shares in the company) changes in the company noted in the news, new or unique technology and so forth. This sort of information may be gleaned from nearly any financial

website. Study of the fundamentals of companies whose stocks have done well can yield wisdom about the potential for increase of values of stocks with similar strengths.

Technical evaluation uses stock charts to identify patterns that have indicated potential and forthcoming strength and growth when seen in the charts of other stock winners. In technical analysis many charts of winning stocks are studied so patterns may be recognized. There are also many indicators used in analyzing technicals, such as moving averages, volatility bands and regression channels that show the paths price graphs are likely to take (one of the most well-known of these is Bollinger Bands), support and resistance lines that show the lowest and highest price a stock is likely to reach, and specialized charting, such as candlesticks, Renko, Kagi, and point and figure—just to name a few. If you love information, learning about these various methods can be rather fun, although at first the amount of information is likely to be overwhelming. Do you need all of it? No. But examining technicals is a very important part of considering stocks. If you apply yourself to looking at charts they will soon begin to make sense to you. Try not to be overwhelmed at first, just focus on a little at a time.

The remaining means of evaluating stocks is by considering trader sentiment. Generally, this method is “contrarian,” which means that if many people like a stock it is likely that most who are interested in buy it already have, and, therefore, the only place a stock has to go is down. Conversely, if many people believe a stock will go down it stands to reason that they have already sold it, therefore, as many people are already out of their positions, most movement of the stock will be purchases, and therefore the stock is likely to grow in demand and price. There are various ways in which one might read the sentiment toward stocks, but two of the most well-known are the put-call ratio and the short open interest ratio.

The put-call ratio compares the number of people who are betting on a stock going up (calls) as compared to the number of people betting on the stock going down (puts). These bets are called ‘options,’ and a description of options can be found a little later in this chapter, but for now, calling them ‘bets’ will work. The put-call ratio of a stock can be found on various stock websites, the easiest of which to use is probably Bernie Schaeffer’s, and the web address for this site may be found in Chapter XIII.

The short open interest ratio reflects the number of people who are buying a stock as opposed to those who are selling it short, a practice described a few paragraphs down. For now, suffice it to say that those who are shorting

a stock expect to profit from its decrease in value. Therefore, if there is much short interest in a stock many people are expecting its value to decrease, which indicates that there may be many who could still buy the stock. Also, as you will read about short selling, in order to exit a position one must buy the stock, which means that those who are shorting a stock will have to buy when the trade doesn't go the way they were hoping (down), driving the price of the stock up.

Again I will say: try not to become overwhelmed. There are websites, software and publications that can help in identifying stocks with good fundamentals and technicals, and one that also focuses on contrarian/sentiment indicators along with fundamentals and technicals. There are even subscription services that can make specific buy and sell recommendations, and some of them are quite good. Yes, these cost, but many are worth their cost, and some we have used with success are mentioned in Chapter XIII.

No matter how good your method of stock picking not every stock will be a huge winner. At best some will be huge winners, some will be moderate winners, and some will be moderate losers. Careful attention to your portfolio on a regular basis will prevent moderate losers from becoming huge losers. Cutting out the dead wood quickly is one of the most important aspects of investing.

Are you ready for a discussion of long and short trades? A long position on a stock trade means that one is buying the stock. A short position on a stock trade means that one is borrowing a stock from a broker, then selling the stock at today's price, and buying the stock at a price sometime in the future—presumably and hopefully lower—then pocketing the difference. In other words, the goal is to sell at a higher present price, and be able to buy in the future at a lower price. This idea might seem odd, or perhaps even somewhat dishonest, because one is selling something one does not have. However, this sort of trade is a way to profit from downward moves in the market (remember that in an up market seven out of ten stocks go up, but in a down market nine out of ten go down, so if the market is falling the odds are pretty good here that a loser/winner can be chosen), and is a perfectly legal and acceptable way in which to trade stocks.

Margin trading is a method by which twice the amount of stock purchase may be made from an account. Money is borrowed from the broker, usually at a fairly low interest rate, and used to fund stock purchases. There is some risk in this. If stock prices fall to a certain level, the broker may sell off securities (stocks) in order to maintain account

minimums. However, if stocks have been wisely picked, and the market accurately timed, and the stocks rise in value as expected, it is possible to make twice the amount of money that could have been made had stocks not been traded on margin. Yes, it is possible to lose twice as much money as well as gain twice as much, but this is where sell rules come in, so that stocks that go south are removed from the portfolio before too much is lost.

Stock options are another way in which to capitalize on good picks, and also a way to “hedge” or protect investments. Like real estate options, stock options give a person a right to trade a stock at a specified price by a specified time. Options are traded on a monthly basis, and expire on the third Friday of their expiration month. There are two basic types of options. They are “call” options, that anticipate an increase in the underlying stock price, and “put” options, that anticipate a decrease in the underlying stock price. A long or a short position may be taken in trading options, which means that both puts and calls can be either sold or bought. Options must be traded in contracts of 100.

Options may have a value which is set “in the money” (at current value), “near the money” (at a value near the current value), or “out of the money” (at a value outside the current value). Simply, if I thought the value of a stock would go up by at least \$3 over the next six months, I could purchase an out of the money call that would expire in six or, to be safe, even seven months. If the underlying stock price were currently \$20, I would purchase a call option with a “strike price” (the price anticipated by the option) of \$23. If in six months the stock has reached \$23 I would have the right to buy the stock for \$20 per share. I would not necessarily have a profit of \$3 per share however, as options have a cost that is called a “premium” (premium calculations are based on the volatility or changeability of the stock price and premiums are the reason selling options can be profitable—but only if the stock does not reach the strike price). If the premium of the call option were \$1.50, I would show a profit of \$1.50 per share. If the stock did not increase in value as anticipated the option would expire worthless and the cost of the premium would be lost. That’s assuming the option is held right up to expiration. If an option does not look as if it will reach its strike price it may be sold. In the last month before expiration it will be practically worthless, but in even the month preceding expiration you may recoup some money by selling the option. While some money will be lost this way, at least not all of it will be.

There are many ways in which to trade options. If you own a stock that is not increasing in value and doesn’t look as if it will in the near future, but you aren’t ready to sell it, you can sell a call option on the stock. You will make

the money that someone else is using to bet that the stock will rise in value, and when it doesn't rise, you keep the money used to purchase the option, which means that you profit even if your stock doesn't increase in value. However, if the stock price does rise to the strike price of the option, you will either have to sell your stock at the lower price or buy back the option. In either case some potential profit will be lost. This strategy of selling "covered calls" is fairly low-risk, and can work well with stocks that pay a dividend but don't increase in value much. You would get the dividend and the options premium—if the stock price doesn't go up, in which case you would only get the dividend.

There is also the possibility of buying and selling puts and calls in various combinations, called "spreads." Some of these have the potential to be very profitable, although many brokers require account minimums before such trades may be made. Perhaps that is just as well, as until much knowledge is accumulated and/or rather good software is used, these trades can also be quite risky.

I hope you have been able to stay focused on this introduction to paper assets, and especially to the stock market. I would like to say that knowing what stocks to buy and when to buy them is not enough knowledge to grow the value of a portfolio and reap the benefits of that growth. One must also know when to sell a stock. In Chapter IX I will say more about levels of investing and how much time and effort is necessary for different sorts of investing, and in that chapter I will talk about different frequencies of trading stocks. But here I would like to mention one very common approach used by many people. That approach is "buy and hold," and is advocated by some. In my opinion this approach can be ruinous. While it serves to help a portfolio grow in extended bull markets (times when the market is rising), no market increases forever, and fortunes may be lost in downturns in the market. True, if one can continue to hold for many seasons or even years the price of stocks may return to former high levels, but if one has any sort of need for money that has been invested and is forced to sell, the value is gone forever. And there is really no absolute guarantee that stocks that have fallen in value will rise again. Many investors who were using the "buy and hold" approach in the spring of 2000 could tell stories of loss and devastation that they might have avoided if they had set trading guidelines for themselves that called for selling a stock at a certain point.

Many investment newsletters and much investment advice has a bullish bias. In other words, people who are selling stocks and services will often be over-optimistic about whether the market will be moving up. They often have this bias, because they wish it to become a self-fulfilling prophecy. When the market is moving up (or even when people

believe it is or may soon be) there is more interest in investing, so those who sell things to investors stand to make more money. Beware of this bias. No market can trend up indefinitely. As the old saying goes, what goes up will eventually come down, and that is no less true of the stock market than of anything else.

But here is a very important point, and something which not all investors know: when you become an educated investor money can be made in any sort of market; in a market that is trending up, in a market that is trending down, and in a market that is trading sideways. The largest determining factor in whether a person makes money or not is probably the amount of and quality of knowledge he/she has. The knowledge necessary for you to do well is available to you, and Chapter XIII contains information that will point you to some good sources of that information.

## **Money Management**

*Genesis 41:56-47 "And the famine was over all the face of the earth: And Joseph opened all the storehouses, and sold unto the Egyptians; and the famine waxed sore in the land of Egypt. And all countries came into Egypt to Joseph for to buy [corn]; because that the famine was [so] sore in all lands."*

Joseph became Pharaoh's money manager. Money Management, along with choosing a timing system and investment vehicle selection, is one of the most critical and often least-considered aspect of paper trading. New traders might get interested in a stock, learn a bit about it and buy it. If you are serious about investing that approach will likely not work for you.

The quick-start chapter discusses the proper place of money management within an investment plan so that won't be covered again here. However, I would like to address money management in a little more depth.

There is a temptation for beginning traders to try to make the most money possible in the shortest possible amount of time. Any trading system has some drawdown, which means that some losses will be suffered. If a large portion of investment money is risked in one position and that position should happen to be a losing one, investing may be indefinitely postponed until more capital can be spared. A wise investor must protect capital by not risking too much in any one position, or even at one time.

Also, winning positions can be partly closed to lock in at least partial profits. This approach would be used in a position like this: twenty shares could be bought for \$10. Share price could increase to \$15. At that point, ten shares could be sold, for a \$50 profit. The other ten shares could be held. They could then continue to rise to \$17/share, which would mean another \$70 profit. Or, the remaining ten shares could go back down to \$12/share. This would result in an additional \$20 profit.

Money management should be a part of an investing plan. Investing plans should be written down, and should include contingency plans. Investing plans should include any sort of system used to choose entry points and instruments, and should also include exit strategies founded upon sound money management principles.

There is lots of room for creativity when investing in paper assets, and I hope you have read something here that has sparked your interest or even excited you. If not, try to bite the bullet and learn anyway so your investments can be diversified. And hopefully the next chapter will capture your imagination.

## Chapter IX Business Ownership

Selections from Proverbs *“31:10 Who can find a virtuous woman? for her price [is] far above rubies...She seeketh wool, and flax, and worketh willingly with her hands. She is like the merchants’ ships; she bringeth her food from afar...She considereth a field, and buyeth it: with the fruit of her hands she planteth a vineyard...She perceiveth that her merchandise [is] good: her candle goeth not out by night...She maketh fine linen, and selleth [it]; and delivereth girdles unto the merchant.”*

I hope many men read this book, and I hope they enjoy it and have their vision expanded. But as I considered the Bible verse I would use to introduce this chapter, the one that made the most sense is the above passage from Proverbs 31. I trust many Christian men will start businesses, and, indeed, many already have. However, I thought it would be beneficial to illustrate God’s blessing on women who are involved in commerce. There are even foundations that help women trapped by poverty to form businesses, and these foundations usually find the women a very good investment.

So how can intentional investors become involved in business? There are as many ways as there are needs and solutions; as many as there are abilities people have. Packaged and marketed properly, in a world economy, there can be demand for just about any product or service.

### Multi-Level Marketing

Please don’t shut down on me here. I hope I have built some level of credibility with you by this point. I’m not talking about pyramid schemes or taking advantage of all your relationships so you can profit. There are many very successful MLM businesses built by many very successful people. I think it’s a mistake to sell a product or be involved in a business or marketing plan that seems wrong or irrelevant. I wouldn’t try that because I would never, in good conscience, be able to ask people to buy something I wouldn’t buy myself. I wouldn’t succeed. If a product can be found whose value is easily recognizable, and a pre-set system for selling that product is a part of the package—and I’m describing companies like Shaklee and Mary Kay—why not try it? Frequently the initial outlay of cash is relatively small. And MLMs can be an easy way to break into business and learn about selling, which is a key skill in just about any sort of business.

Of course you will want to do your homework before getting involved. Take some time, search the web and find a business model you like, then get in touch with some people who are already involved. Ask them if they are actually making money. Find a rep you like and feel you can learn from and plug in there.

Remember, this is MLM. The culture you experience will depend much on the representative with whom you work. And you will be able to influence the culture of the Company for those in your “downline.” It is worthwhile to carefully invest in the lives of those whom you recruit to the business. Their success means your success. Zig Ziglar has said that “If you help enough other people get what they want, you will eventually get what you want.” In MLMs you can help others get what they want.

## **Franchises**

Franchises are somewhat like MLMs, in that you begin with an established system. Many franchises require a rather large initial investment, which can make them a bit more difficult to get into. Often franchises are pre-approved for small business loans. Lenders are more confident when a clear business plan is present, and franchises have these in place.

With a franchise, you can own and run your own business while enjoying support. The cost of most franchises includes a training program and ongoing support, so you aren't just dropped in cold. Many also include market analysis to determine viable potential locations, construction and equipment costs, help in hiring, and of course there is the benefit of any advertising done by the franchise. Most franchises are called “turnkey systems,” which means that you show up, open the door, and begin to do business.

There are franchises to match nearly everyone's interests and abilities. There are franchised retailers, restaurants, auto repair and oil change shops, framing shops and print shops just to name a few. Franchises range in price, mostly depending upon construction costs and other set-up costs. Franchises that offer kiosks in malls can be a relatively inexpensive way to begin a business.

I do have a caution to offer. If a franchise is relatively new or small, consider why they are offering opportunities to others rather than developing the opportunity themselves. Another thing I want to know about franchise opportuni-

ties is whether the Company makes money when the product is sold, or makes money when they sell the system. Some franchises charge for such things as prospecting lists of potential customers, advertising literature, research for new locations (in some franchises you might place kiosks or machines) and the like. I would beware of a company who seems to consider these franchisee services as a revenue stream.

Many franchises and MLMs will suggest that you put initial income back into the business. This suggestion is probably valid to some degree. However, if the reps are expected/required/pressured to pay all the money they make back into the Company, the Company may benefit but will the reps ever be able to reap profits? The answer may be yes, and that's fine. Just try to find a rep who is really (and you might have to ask some indelicate questions to find out) making income—not just getting money that must be reinvested in the business. If someone else is doing it you may rest assured you can do it too. Often franchises will be able to give you some idea at the outset of how long it will be before you may expect to actually make income. If you are going to get in and stay focused enough to do well, you need to have some idea of what a reasonable goal is and how long it will take to get there.

Obviously there are some very successful franchises that will yield great investment returns. A good parent Company, a great product, a busy location, the best employees possible and a workable system can combine to become big winners.

## **Buying a Business**

We're moving up here a bit in the level of commitment, the level of independence, the need for skill and knowledge, and also the potential for income. When you are making all the decisions, you have the fun, the challenge, the responsibility, the exhilaration, the pressure and the rewards. There are two ways in which to become an independent business owner. One way is to start a business and the other way is to buy a business.

There are many reasons why people would sell a business, and if you are considering buying one you should consider what the reasons for selling might be (and it would be a mistake to expect the owner to truthfully disclose them—Jesus said to be wise as serpents and innocent as doves). Is there new competition in the neighborhood? Are there many repairs and renovations needed in the near future? Are there coming regulations that will negatively impact the business?

Before a business is bought full financial disclosure should be made by the owner. Some businesses qualify for small business loans and if you are getting a loan the financial institution lending the money will help you out all information about the business. When considering getting a loan to buy a business remember that the amount of the loan will likely reduce your cash flow so that your net income will be less than that of the owner from whom you are purchasing. But there also may be ways in which you can build the business that the current owner hasn't seen. For instance, you may buy a small sandwich shop that is closed at dinnertime. But if there aren't many pizza delivery places in the neighborhood you could buy a pizza oven, hire some delivery guys, stay open through dinner and increase your business.

### **Forming a Business**

If you have any imagination, this is the fun stuff. What is it you like to do? What is it you are very good at or know much about? Chances are you can find a way to employ your knowledge and passion. Whether you have a green thumb, an ability to sew, create delicious food, or are any sort of an artist, there are people who want what you can give them. If you simply have good taste and/or an appreciation for quality you can search the web for liquidations of items you know people will want (I'll give some ideas for finding ways of doing this in the chapter on resources) and sell them online at a profit. Combining your abilities with friends who have complimentary abilities will mean that your resources and potential are even greater.

With a market the size of the world, there is demand for nearly everything of value. The Internet makes it possible for just about anybody to sell just about anything. There are many places you can set up a fully automated web store without knowing anything about web design, and many will allow you to have the first month free so you risk almost nothing trying out your retailing strategy. For a very small fee on Ebay you can test the water to gauge demand for potential products. Paypal allows you to accept immediate secure online payment from anybody anywhere.

There are also local resources, such as farmer's markets in many places. While you will likely have to produce any food goods in an approved kitchen, farmer's markets can be wonderful places in which to try recipes for original sauces, spreads, marinades and the like. Remember the old adage "Build a better mousetrap and the world will beat

a path to your door”? It might also be said that if you come up with a better barbecue sauce people will go out of their way to get it.

Do you work as a nurse, a hair stylist, or a software programmer? You likely work everyday with products that could be improved. If you find an innovative way in which to do something, patent it, and begin to market it, voila! You will have your own business.

This requires some momentum and determination, but those things can flow out of your conviction that you wish to live your life as fully as possible in service to the Lord. In the film Chariots of Fire one of the characters said “He made me fast, and when I run I feel His pleasure.” You are a unique and special person, and there are abilities which are yours alone to nurture or ignore. The Lord has made you steward of abilities needed in order for the Body of Christ to be fully complete.

Teachings sometimes talk of one’s job being one’s ministry, and certainly this is true in terms of such things as living the Gospel before one’s co-workers. But there is also joy in doing something well, and sensing the pleasure of the Lord upon it. The potential for that joy is within your grasp.

Have you always wanted to write a book or a movie script, or publish a book of new recipes for cheesecake? Why not do it? I have heard it said that at the end of life most people feel more regret for what they have not done than they feel for what they have done.

Many businesses can begin small. You need a few things such as a business license, a decent accounting software program (or a love for accurate record-keeping), a place in which to work, a way in which to sell your product (Ebay works well to begin), and faith, patience and determination. Studying up on how experts have succeeded will help also. Chapter XI, which is about education, will likely stir a desire in you to do that.

There may be a voice rising up within you saying “Are you crazy? You can’t start a business!” Well, I’m here to tell you that you likely can. I think St. Paul would agree with me too: in Philippians 4:13 he wrote *“I can do all things through Christ which strengtheneth me.”* Let’s believe for that with him!

## Chapter X: Strategizing II, Levels of Investing

II Kings 13:14-19 *“Now Elisha was fallen sick of his sickness whereof he died. And Joash the king of Israel came down unto him, and wept over his face, and said, O my father, my father, the chariot of Israel, and the horsemen thereof. And Elisha said unto him, Take bow and arrows. And he took unto him bow and arrows. And he said to the king of Israel, Put thine hand upon the bow. And he put his hand [upon it]: and Elisha put his hands upon the king’s hands. And he said, Open the window eastward. And he opened [it]. Then Elisha said, Shoot. And he shot. And he said, The arrow of the LORD’S deliverance, and the arrow of deliverance from Syria: for thou shalt smite the Syrians in Aphek, till thou have consumed [them]. And he said, Take the arrows. And he took [them]. And he said unto the king of Israel, Smite upon the ground. And he smote thrice, and stayed. And the man of God was wroth with him, and said, Thou shouldest have smitten five or six times; then hadst thou smitten Syria till thou hadst consumed [it]: whereas now thou shalt smite Syria [but] thrice.”*

In walking with the Lord, to a great extent, we get to choose our lifestyle. The decisions we make (and the sort of prayers we pray) help to determine the level of intensity and potential for blessing and increase in which we live. Often it’s possible to choose relative safety and predictability. I don’t think we would likely go to hell for such a choice. But neither do we live our lives the most fully before the Lord.

Once at a rather critical time in my life—at a time in which I was in the process of making a decision that would radically change my personal world—I sensed the Holy Spirit speak something remarkable to me. I was on a boat, looking at a beautiful sky, and the Lord dropped in this thought “I mean for adventure the things many people consider trials.” In other words, whether something was a Jesus adventure, with an outcome certain to further His purposes in my life, or a trial, was dependent upon my attitude and my expectation. The Lord means for blessing things that many people take as an unpleasant, or even harmful, trial.

Endeavoring to become an astute investor may seem to you a terrible challenge. If it does, scale back, start small and slowly, and wait for your faith to increase. We know from Romans 12: 3 that we think of ourselves and our lives in terms of the measure of faith the Lord has given us.

There are definitely various levels of commitment, knowledge, time requirements and energy on which one can function as an investor. For instance, in the stock market there are those who invest long-term in mutual funds which are maintained by pros, stock traders who assess their portfolios and make changes on a monthly basis or on a weekly or daily basis, and day traders who may make and/or lose tens of thousands (or more) of dollars on trades made in seconds.

How much time etc. do you want to (or are you able to) spend on investing? Once you become educated in a specific investment strategy there might be potential for making considerable amounts of money in spending more time at it. But there is really no guarantee that a day trader will make more money with his/her portfolio than an employed person who checks his/her stock portfolio once a day for twenty minutes or so. Besides, do you really want to spend your time with your face glued to a computer screen, watching every tick of a stock price?

In paper asset investments, there are different approaches that can be taken. In Chapter VII I discussed considerations in evaluating stocks. The considerations are fundamentals, technicals and sentiment. There are different indicators that can gauge these aspects of stock health, and ways in which to apply the knowledge they yield, some of which are relatively easy and less costly with a shorter learning curve, and some of which require time and commitment to learn and may be rather costly. If you are beginning with a large sum of money, you would be wise to ante up and pay for a good service and/or software to help you evaluate stocks and time your trades. The returns precipitated by trading the right stocks at the right time will more than make up for the cost of the service or software if they are properly used. We know of one option evaluating service that completely guarantees a yield of at least the cost of the service.

In Chapter XIII I'll give specifics of some of the sources of information and evaluation tools that are available. Different ones require different amounts of work, study and investment. The returns you will see will likely be commensurate with your extra effort, but if you are desperately unhappy with the level of commitment required in the use of a system it won't be worthwhile. This effort is about the Kingdom of God, which isn't about money or even investing, but about righteousness, peace and joy in the Holy Spirit. If your peace is destroyed by something you can be fairly sure you aren't going the way the Lord intended. That's not to say you won't be challenged, of course.

By the same token, in real estate investing different approaches can be considered, and one chosen that will fit with your measure of faith and the lifestyle you feel the Lord has called you to live. Again, the more involved you are willing to become, and the more you are willing to learn and do the more potential there is for increase. Developing relationships with bankers and real estate agents will require some time and effort, and they will be a necessary part of successful real estate investing.

The same is true in business investments. As the level of responsibility, risk and involvement increases, so does the potential for profit.

Once I heard a Bible teacher named Dennis Peacock say that the Lord lets us choose the level at which we want to live in the Kingdom. He said where we are in our faith is like playing in different baseball leagues. There is a sandlot league, where we can be rag-tag and casual. We can play little league, with some direction and organization but not much challenge or chance for greatness. We can play pony league, we can play high school or college leagues, or we can play in the minor leagues. Or we can play in the majors.

So it is in the field of investing. Of course there is sacrifice and commitment required to invest on a higher level. There is greater risk and greater potential reward.



## Chapter XI Getting Started: Do Not Despise the Day of Small Beginnings

Zechariah 4:10 *“For who hath despised the day of small things? for they shall rejoice...”*

Psalms 37:25 *“I have been young, and [now] am old; yet have I not seen the righteous forsaken, nor his seed begging bread.”*

Psalms 126:6 *“He that goeth forth and weepeth, bearing precious seed, shall doubtless come again with rejoicing, bringing his sheaves [with him].”*

Have the last few chapters left you feeling a bit overwhelmed? If so, hopefully these next couple of chapters will be a bit of a breather.

I do, however, also hope that if you are overwhelmed it is by information, not by vision. You *can* become an effective investor, and, thereby, a more faithful steward before the Lord. I don't even come close to knowing all there is to know about investing. But there is one thing I know, and continue to learn every day: God is faithful. He is faithful to His Word, to watch over it to perform it (Jeremiah 1: 12), He is faithful to reward those who diligently seek Him (Hebrews 11: 6), and He is a faithful Father to His children, never giving them a snake when they ask for fish (Luke 11: 11).

Have you blown it in the past, going into consumer debt, missing opportunities, being afraid to act? That's OK. The righteous man falls seven times, but the Lord picks him up (Proverbs 24: 16). Past failures are not predictors of future disappointments. Every day we have a new chance for redemption because today is the day of salvation (II Corinthians 6: 2).

As you begin this quest to be a better steward you may—likely will, really—encounter difficulty, setbacks, and discouragement. You might absolutely decide you are going to learn to be a great investor, then drive to the gas station and have your credit card rejected, bounce a mortgage check, or encounter even much more intense opposition. Does this mean you are on the wrong road or have made a mistake or misheard the voice of the Lord?

There are two factors at work here. One is the fact that investing, like anything else, is learned by doing. I have heard it said that one of the worst things that can happen to an investor is to have a large early victory that would tempt him/her to go out and take larger risks with fewer cautions. Try to make a plan and stick to it. You can alter your plan, but don't let it be altered by external forces like a "hot" stock tip. Enter all of your investment positions according to a predetermined selection process. If you are wise you will very rarely buy a stock because of an unsubstantiated tip. There is a chance that someone giving you a tip has his/her own reason for wanting you to buy the stock (maybe a reason as simple as misery loves company). Any tip that truly had great value would likely be considered insider trading if acted upon.

The other factor at work is that we have an enemy who opposes God's work and purposes in our lives. A Rick Joyner book I am reading has inspired me to think at great length about the importance of walking in the peace of God, no matter what. The enemy is more than glad to help us learn about such things—though of course his help is unwitting as he tries to knock us off course. Over the last few days I have had a few things happen to challenge my peace. Generally I've done OK—until this morning, that is.

I have been wanting to get a bike for about a year. I've gained some extra weight and a bike has seemed to be a possible key to greater fitness (OK, I realize that thought is a bit delusional). A few weeks ago Don and I both got new bikes. I've been taking some nice rides (nope, haven't lost any appreciable amount of weight yet), but I had been bugged a bit by an uncomfortable seat angle, thinking that I would enjoy riding a lot more if the seat were different. I looked at it a bit, but couldn't see how to adjust it.

The other day my son asked to borrow my bike. I didn't want to let him, but I knew it would be childish for me to say no. I said "I guess so. Are you going to bring it back with flat tires?" He told me I was like Job—opening a door for something unpleasant by fearing it [Job 3: 25]. He rode the bike carefully. However, he left the bike at a friend's overnight, where a younger sibling rode it and—of course—popped a tire. The seat was also broken.

In the morning I was all set for a long ride. I called to my son that I would be gone for a bit and I told him I was going for a ride. "Oh, Mom, wait a minute, I have to put some air in the tire."

“Air in the tire?” I said. “Does it need air or is it flat?” I saw for myself that the tire was completely flat, not just a little deflated. What do you do when you are forty-seven years old and your new toy is broken? First I got mad, but saw that would only hurt my son, who already felt bad enough. I wanted to cry. I went for a walk and I did cry. But I cried partly because I realized how foolish I was being. I was like Jonah, mourning for a very small thing that gave me just a little comfort, while there is an entire world filled with people who have desperate needs.

So I repented, had a nice time of prayer as I walked, and went home. When I got home my bike tire was still flat, but I had a guarantee from my son that he would fix it as soon as I got an inner tube that fit it. And he and his friend had fixed the seat. They didn’t just fix it so it was back to the way it was; they fixed it so it was comfortable. My bike is better following that episode than it was before.

I say all that to illustrate God’s redemptive work in our lives. The Lord always has those ways of turning difficult circumstances into a way to manifest His glory. Sometimes He even likes for the odds to be stacked in such a way that winning seems even more of an unattainable goal, as when He commanded the reduction of the size of Gideon’s army in Judges 7.

You might lose some money in investing. I can almost guarantee that you will. But try not to be discouraged by that. Look at the big picture. A temporary unwanted result does not necessarily indicate a bad decision or a bad strategy. After all, in the Kingdom we lose our lives in order to find them (Matthew 10: 39). You can always reevaluate, but try to set times for that rather than making quick, ill-considered decisions. In other words, as you determine a strategy, build into it set times at which you will examine results and see if you want or need to make changes. Try not to have a result that displeases you and toss your strategy without giving it adequate time to work. No strategy that isn’t followed will work. This process of being intentional to increase resources will take some time, as does any sort of sowing and reaping. But Psalm 126:6 says *“He that goeth forth and weepeth, bearing precious seed, shall doubtless come again with rejoicing, bringing his sheaves [with him].”* Can you imagine a better promise of diligence being rewarded? If you are weeping now and cherishing just the bit of precious money you can spare to invest, know that it is possible for you to return to your investment with joy, expecting increase by the bundle.

Things may not take off immediately, and you may even have some setbacks. What if you are just beginning to invest and your first investment loses money? Hopefully you have seen the wisdom in diversifying and still have

money left even if one investment didn't perform as well as hoped for. Jesus said something about how new things grow in John 12:24 *“Verily, verily, I say unto you, Except a corn of wheat fall into the ground and die, it abideth alone: but if it die, it bringeth forth much fruit.”*

Sometimes a new endeavor does not do well from the get-go. Like a seed that appears dead and is buried, sometimes the Lord wants all the fleshly life to die out of something so He can call it forth newly born, like a bright green seedling popping up out of its earthy grave. If you don't see desired results immediately, please don't think it is because the Lord isn't in this investing endeavor for you.

To avoid any possible confusion or missing of this point, I would like to say again: if your investments don't immediately take off, don't give up. If you don't feel called to investing you probably shouldn't be reading this book in the first place. But if you do, guard your calling and your vision. A pregnant woman at the end of her term seems large and clumsy (OK, guys, I know you may tell your wives they are beautiful when pregnant and that's nice, but I've been pregnant and with all that weight out front, pregnant women are clumsy), and isn't able to do much except that for which she has been preparing: deliver a baby. When your calling is very ripe and about to come forth the same sort of lack of obvious activity can occur, because strength is being saved up for the big push. Just so, at significant times in our lives there may be an appearance that nothing is happening. Sometimes when the last of our resources seem cached the Lord moves on our behalf.

There are moments in Scripture when people found deliverance and provision at the absolute end of their reserves. The two that come most readily to my mind are the two widows touched by the lives of Elijah (I Kings 17) and Elisha (II Kings 4). Each of them was at the end of their rope and possibly their hope. The first was going to use her last bit of flour and oil to prepare a last meal for her and her son and the second was so deeply in debt that creditors were coming to take her sons to be sold into slavery. Both were graciously provided for by the same One with whom we have to do; upon whom we are depending for deliverance, provision, and, beyond even that, for an accomplishment of His highest purposes in our lives. All we have to do is yield to His plan, and walk in faith and patience.

I once heard the teacher/missionary Moses Vegh share a vision he had of a huge warehouse so filled that bars had to be leaned against the doors to keep them closed. When he asked the Lord what the warehouse was the Lord let him know that the warehouse in his vision represented a place where answers to prayer were waiting, and that many of

the answers had been sent back undeliverable because people had given up too soon in prayer and hope. Kenneth Copeland has called faith and patience the power twins. Rick Joyner has written that, though there has been a “faith movement,” there has never been a “patience movement.” Perhaps we can begin one as we wait to see the Lord bring forth fruit from that which we labor to plant in investing.

Sometimes a higher degree of calling to a certain walk will mean that the beginnings will require even more faith and patience, because the fulfillment of the vision seems so far away and out of reach. And often, with a high calling, the fulfillment of the vision will even be postponed or we will drift to a place from which the vision seems even further out of reach.

Offhand I can't think of anybody in Scripture who had a more significant financial calling than Joseph. He knew he had a calling from the time he was a child. In his dreams symbols of his siblings, as well as even his mother and father, bowed to him. Yet, he suffered rejection by his brothers, complete humiliation, false accusation, jail, and a very long season of waiting for his vision of his calling to become manifest.

So if you suffer monumental setbacks, heartbreaking losses, and great disappointments, please try not to feel that God is not with you, or that you have made a mistake about your calling. And please, please don't give up. For inspiration, read the stories of the great heroes of faith in Hebrews 11. The Lord keeps His promises. And His purpose in helping you become a faithful steward (read investor) goes beyond simply putting food on your table, or even having money to send your children to college. In case you haven't noticed, He is busy building something: us, living stones, into a building of His design and for His glory. Joseph's wisdom about financial matters—which amounted to an inspired gift of wisdom through the Holy Spirit that Joseph supplemented with learning—was used to save an entire nation, and much of a region.

Things worth doing often take time. I dabbled at investing beginning in 1995 and did fairly well, simply because the Lord was showing me kindness—and the market did so well in the 90s that it was hard to make a bad investment. I didn't know what I was doing, I just blundered into a really good stock investment by God's grace and through the help and advice of my brother. I read some books and subscribed to some online newsletters, but as it turned out they weren't the best on the subject of investing. But I didn't leap into anything. Then, just a couple of years ago Don and I began to seriously study investing. It took us the first year to get a handle on what investments

are available, how they work, and which ones seem right for us. Don has just very recently devised a strategy for trading the market that we both are comfortable with and optimistic about. So far it has shown some decent returns (his real-time model portfolios all posted between 104% and 225% for 2005).

We believe that we are beginning to get a feel for what sort of real estate investments we may take on at some point, and we have become involved in a few business endeavors. If you pay attention to infomercials you may have heard claims that one can rapidly increase one's net worth through strategic real estate investments. We have not applied that strategy and it may effectively serve to increase wealth. But I think Don and I would both stress a broad-based learning process rather than a quick fix. Joyce Meyer has said that if you are afraid to do something the Lord has called you to do, you should "...Do it afraid." While I agree with this thought, we also know from Paul's statement in Romans 14: 23 that "*...Whatever is not done in faith is sin.*" Some degree of courage will be necessary when you begin to invest no matter how much you have learned, yet wisdom would require us to learn enough to have a measure of comfort—and certainly the peace and assurance of the Holy Spirit—before beginning.

### **A Word About Taxes**

This book doesn't contain a lot of wisdom or information about taxes, but there is a belief about taxes that can hold investors back. That belief is that large investment gains aren't worthwhile because taxes will have to be paid on them. But holding back in investing out of a concern for what will have to be paid in taxes can be detrimental to effective investing strategies.

One of the advantages of balancing investments between paper assets, real estate and businesses is that expenses in some may offset gains in others, serving to reduce tax obligations. This advantage is well worth looking into, although gaining the greatest benefit will likely require the help of a tax professional who is experienced in serving investors.

### **Where does money for investing come from?**

This is a valid question. If you are established in your life you probably won't want to drastically alter your budget in order to invest. There are a few different ideas for beginning.

The first is to look at your current employee retirement plan and see whether you can become more proactive in directing those funds. If you have the sort of plan that allows you to make investment decisions, you can learn about the stock market, and begin moving funds in such a way as to have them increase more quickly. If you want to begin to invest in real estate and have a healthy portfolio you may be able to use it as collateral for a real estate loan. Alternatively, it is sometimes possible to find property the purchase of which requires no down payment. Some realtors even advertise this option, and looking into the possibility doesn't hurt anything. You should exercise caution, of course, as you would when considering any potential investment, and be sure that income generated from rentals is adequate to cover loan payments, taxes, etc. Unless you have a large amount to invest, starting small is likely a good idea.

There is another possible way in which to invest in real estate. You could find people considering selling homes in less-than-perfect condition and offer to do or contract work to increase the value of the house, then split profits with them. Ads could be placed in classified sections of newspapers, or perhaps realtors could be contacted with offers. Most realtors would likely be in favor of increasing the value of a home being sold, as that would mean an increase in their commissions. Tight contracts would have to be drawn to protect all concerned.

Beginning in a business that requires a low initial investment is another possibility for raising capital. You could go through your closets and attics to find hidden treasures. That is to say on Ebay they could be treasures. As the saying goes, one man's trash is another man's treasure. Somebody might want your old things, and you might be able to raise some money by cleaning out closets. If you are not a pack rat and don't have a lot of old stuff around, you could study Ebay a bit (preferably in a category about which you already have knowledge), and go to thrift stores, garage sales, flea markets and the like and look for bargains that can be re-sold for a profit.

If you have desire and drive MLMs can also be a way in which to begin to make money without a huge outlay of cash. Although I have bought vitamins through an MLM company for years, I never wanted to press acquaintances to buy them from me, and generally have had a low opinion of MLM businesses—maybe due to a very rude couple who once kept me up very late talking about an MLM in which I had absolutely no interest. But as Don and I have studied business opportunities we have seen some MLMs that have good potential and offer needed and truly beneficial products at competitive prices.

Another possible source of seed money for investments is debt restructuring. Americans pay huge portions of their income to repay debt. While I have written in earlier chapters that debt can be used to leverage into better investment positions, personal debt can be a very destructive force, with inflated interest rates eating up a family's cash like a locust plague. Many people refinanced home mortgages at a lower rate in the last couple of years, but if you haven't, you can take out some equity for investing, or pay off credit card or other consumer debt and use the money saved in interest as investment capital. Make a plan with which you are comfortable and stay with it. There is a helpful service to which we subscribe and which we also promote that can help in this process. Information can be found at [www.sand2pearls.com](http://www.sand2pearls.com)

Have you ever heard the stories of the secretary who took something like 10% of her paycheck and used it to buy and sell stocks she heard her boss buy and sell? She ended her life with something like \$17 million which she left to charity. It doesn't matter so much where you start, but rather that you simply start somewhere, even in a very small way.

Believe that you can become a faithful and successful investor! If you don't believe it, you are defeated before you have begun. Remember what Paul said: "I can do all things..." He was not super-human. He simply was filled with the same Holy Spirit that fills you and me. And that same Holy Spirit is the Power that raised Jesus from the dead. However, God does oppose the proud, so check your heart. Is your desire for personal gain or corporate gain? If it is personal gain for which you are reaching, remember that it will not satisfy you because, as Ecclesiastes 1: 8 says (and Solomon, who was a very wealthy man, presumably wrote that book), *"...The eye is not satisfied with seeing, nor the ear with hearing."*

As you are faithful and the Lord blesses you, investments will begin to yield well and dependably. They will begin to increase via a geometric progression, and you may be surprised at how quickly money can reproduce.

When it does there is something important to remember: Psalm 62:10 says *"Trust not in oppression, and become not vain in robbery: if riches increase, set not your heart [upon them]."* Try to ask yourself (judge yourself according to 1 Corinthians 11: 31 which says *"For if we would judge ourselves, we should not be judged"*) occasionally why it is you want to build wealth. If the answer is so that you can feel more secure your hope and trust are misplaced. If the answer is so that you can improve your way of life, consider that even people with large incomes tend to live

beyond their means. I would like for my answer to that question to be something along the lines of believing that building wealth is a part of my calling.

I have written that beginning is best made by learning, and I hope the foundational learning that I am promoting here is of the ideal sort: *“The fear of the Lord is the beginning of wisdom,”* (Proverbs 9: 10). We will be more likely to experience true success and the favor of the Lord if do what we do because we want to honor Him, always seeking first His Kingdom.

## Chapter XII Investment #1 Is In Learning

Proverbs 24: 3 *“Through wisdom is an house builded; and by understanding it is established: And by knowledge shall the chambers be filled with all precious and pleasant riches.”*

So far this book has been something of an introduction to investing, and I have intended it to be chiefly an introduction; hopefully one that inspires a vision of more of the fullness of God’s purposes, and gives you momentum to become more proactive in stewarding that which has been entrusted to you. I hope you will become a servant who doubles his/her money rather than hiding it somewhere, in fear of the Master—who is actually not a harsh taskmaster, but a loving, encouraging Father who isn’t afraid of or threatened by our momentary setbacks (which is how He sees what we might consider major failures).

Because this book is primarily an introduction it will not answer all of your questions about investing or tell you absolutely everything you need to know. You need other books, newsletters, websites, friends with similar interests who can encourage you, games that will help inspire you, and you may also need software and subscriptions to services. What you spend on learning will seldom go to waste, and even if you decide not to follow a course of action some author took in investing, you will have learned from him/her, and even a decision not to do something is progress in developing a strategy. If you have some friends who share your interest in learning about investing you may be able to pool resources and form a sort of library.

There are many seminars on investing. Some are even free, although even at the free ones someone is generally trying to sell you something. However, you can glean helpful information and you don’t have to buy. I should say though, that many of the freebies offered to Don and me have become paid services/publicaitons which we now value very highly. Think of it like this: say with your own resources and abilities you can make maybe 3% per month on your investments (this is just a random number, and you could just as easily lose at least as much), but with subscriptions to a services that offer for your use stock picking and market timing (<http://www.s2pmarketsignal.com>) information you might make 8% per month (and, yes, there are everyday people who do this on a regular basis). Over the span of years, a service that cost you 1% of your investment per month might well serve to help you achieve enormous gains. Hence, you can see learning and the cost of information as a part of your investment.

In this chapter and in the three that follow, I'm going to mention the names of some specific publications, books, services, websites and other sources of information. Just so the reader knows, I would receive compensation from the debt reduction service [www.sand2pearls.com](http://www.sand2pearls.com) were a reader to subscribe, and Don and I operate Sand 2 Pirls market Signal (<http://www.s2pmarketsignal.com>) for profit—although those who can show proof that they donate 15% of earnings to charity may subscribe without cost. I have not read absolutely every book or tried absolutely every stock-picking software, but I have seen some good ones, and I would like to share some resources it has taken Don and me together a substantial amount of time to find and evaluate. In this chapter I'll mention some resources that apply to investing in general, and in following chapters I'll refer to resources specific to one of the three investments: paper assets, real estate, and businesses.

In the season in which I have been writing this book, the focus of much of my reading time has been two books by Rick Joyner. One is called *Overcoming Evil in the Last Days* (if you're not familiar with Rick Joyner, please don't be freaked out by a "Last Days" reference; his theology is very sound), and the other is called *Breaking the Power of Evil*. Rick Joyner is one of my favorite Christian authors. When I read his books there is never a corner of my mind that is saying "Wait a minute, what is he talking about?" Rather, there is always a quick 'amen' in my spirit and often what he writes has a familiarity to me, so that I almost have a feeling of remembering something I haven't yet learned. It seems that feeling comes from the fact that he is very in tune with the Holy Spirit, and the Spirit in me is giving an amen. If you want to become familiar with his writing, of course I recommend the two books I have already mentioned, but you might want to begin with his book *The Final Quest*. It has likely had a more significant impact on me than any other single book except the Bible itself.

Another great Christian author/teacher and influence upon me at the time I have been writing this book is Graham Cooke. It is from him that I have borrowed the term 'intentional' in referring to how we as servants of the Lord live our lives. Graham encourages people to live with "intentionality," and decisively rather than simply being swept along by various forces and influences.

Another Christian influence in my investing has been Morris Ruddick. He publishes an email newsletter that he only sends out when he has something significant to express. He writes quite a lot on the subject of the calling forth of those in the "Joseph" and "Daniel" ministries, and published a book called *The Joseph and Daniel Anointing*. These are people to whom the wealth of the nations will be transferred. In the case of the "Jospehs" there will be

provision given which will be needed for the preservation of believers, and in the case of the “Daniels” Morris has a vision for influence given to believers to become counselors to those in authority in business and government.

As far as secular general influences, Robert Kiyosaki has been one of the strongest. Don activated our investing quest by reading *Rich Dad, Poor Dad*, by Robert Kiyosaki. There are many books in this series. Some are written specifically about various types of investments, but this one is a general investing book that encourages the reader to see things from a point of view different from the conventional thought that one should go to college and get a good job and all will be well. Rich Dad’s *Guide to Investing*, *Cash Flow Quadrant*, and *Prophecy* are all very good books. These and others may be found at [www.richdad.com](http://www.richdad.com). The stated mission of the Rich Dad organization is to “...Elevate the financial well-being of all humanity.”

The books are good, but the way in which Don and I have personally benefitted most from the products of this organization is through playing their game, Cash Flow. We thoroughly enjoy the game, and I guess we have played it hundreds of times, with our children, friends, our children’s friends and anybody else who is interested. The game simulates becoming more prosperous and gaining financial independence through investing. It’s a teaching game, and much can be learned, but the way in which it is most beneficial is that it raises one’s vision. In playing the game we have come to believe that, yes, we *can* do this! *We* can be successful investors! The game is tremendous as a help in building faith and hope.

Interestingly, Robert Kiyosaki said that as a child he was inspired to become a real estate investor as he played the game Monopoly. There are other games that highlight aspects of investing and they might be fun and helpful. We are beginning to play the game Pit in order to get a better idea of what goes on with commodities trading and futures. Games can be a great aid to learning.

The game Cash Flow is quite expensive. But as I mentioned about various books, perhaps some friends can go together to purchase it as a part of a shared library. One of the central inspirational ideas for this book is that if Christians share financial/investment wisdom and knowledge we all, and, in the process, God’s Kingdom, can benefit. Perhaps some of these resources could even be a part of a church library.

Many of the resources available for research in specific areas of investment are free, as you will find in the coming chapters. Only your time, interest, imagination and faith are required. Lord, open our eyes to see the opportunities all around us, and direct us into those You have for each of us!

## Chapter XIII Real Estate Beginning and Resources

*Proverbs 31:16 “She considereth a field, and buyeth it: with the fruit of her hands she planteth a vineyard.”*

Where do you begin? By learning. If you truly want to be a faithful steward and are beginning with limited investment knowledge, read and learn all you can. At first you may feel as if all you are learning is that you have a lot to learn. That's OK. If you press through, perhaps make friends with a real estate and/or lending professional (invite someone to lunch or email me), scan and digest as much information as possible, soon everything will begin to make sense to you and, almost without being aware of it, you will develop a strategy. If it takes you a year or even longer to begin to invest, that's OK. If you have some seed money ready you might be itching to begin soon, and if you have a head start in knowledge of investing of any sort, you may do well, but I hope you will exercise caution, and gain some confidence in your knowledge before you launch out.

If you are beginning with any knowledge of real estate you will likely know the old adage for choosing real estate which was “Location, location, location.” Naturally there are other considerations but this is a very important one. If you are going to invest in real estate that is in a community with which you are familiar you will likely know what locations are more desirable, and which ones will probably become more so. If you are going to invest in real estate that is in a different community you will benefit from some serious research. The way I learn about things is to scan a lot of information. There are many ways in which it is possible to learn of possible real estate investments and their likely potential to increase in value.

### **Real Estate Professionals**

Real estate brokers have access to the most information, and can be a very good resource. If you can find one with whom you have some rapport and can establish a relationship, you will be greatly helped on your way to becoming a successful real estate investor. Be honest about your goals, how much money you are looking to invest, and what you are hoping to get for it. Most professionals are busy enough that they won't want to waste time with people who aren't actually buying anything. Remember that they work on commission, and don't get paid until something sells, so as a Christian courtesy try not to use too much of their time driving around looking at things you have no intention of buying. When you are in the phase of beginning to learn about what is available you might want to

leave a real estate agent out of your plans. Later, when you have some idea of what you want, a helpful realtor can be invaluable in finding properties that meet your criteria.

Real estate agents and brokers also often have access to information about lenders, and may help you find and secure a loan. Most lending professionals will be glad to talk with you about your real estate ideas and help you pull them together into plans. There are advantages to working with a mortgage broker as opposed to a banker or online lender, as a broker will search through many programs to find the best fit.

Real estate professionals can get you information about area vacancy rates, average rents and so forth as well. Before you buy a property you will need to know how likely it will be that you will be able to find a renter and whether a potential renter will be willing to pay enough to at least meet your mortgage, tax and insurance payments on the property, and hopefully even to generate a little cash flow income by paying rent that is greater than the amount of the mortgage payments.

## **Newspapers**

Local newspapers are great helps in finding real estate and in getting a general idea of what is available, as well as real estate values. In reading the classified ads you will be able to look at homes for rent and get an idea of what local rents are in various neighborhoods, and get a grasp of housing prices in various locations. Most local newspapers also have a section where real estate sales are disclosed. From this section you will be able to learn the addresses of properties that have sold, and what they have sold for. If you keep a record you can match homes that have been for sale with the record of their actual sale, and get an idea of how near the asking price homes are selling.

Newspapers can also be a good source of general information. From papers you can keep tabs on new development areas, and on changes in roads, laws, future housing demands based on the amount of jobs flowing into or out of a region, and on school news, all of which have the potential to impact real estate values. The quality of area schools is particularly significant in driving local land and home values.

One of the limitations of newspapers is that they cover a limited geographical area. If you are looking for information in more than one community or region, getting papers for all of the regions may be impractical. Most news-

papers do have classified ads online, and that is an easy source of information from which you can gain an idea of property values in a community or region. A website called Newslink (<http://newslink.org>) has links to many US newspapers that have websites. From here it is possible to compile lots of information on property in various communities.

## **Helpful Websites**

When you begin to surf and do searches you will find that there are many, many real estate websites with lots of information available. I'll share with you some that I frequent, and what I have noticed there of particular interest. Please note that if you are reading this book a number of years after publication it is possible some of the sites no longer exist, and I will apologize in advance for that. If you are reading an e-book in PDF you should find active hyperlinks for the suggested links and if you are connected to the Internet you may simply click on links to connect to them.

LoopNet (<http://www.loopnet.com>) is a commercial real estate website that as of this writing claims to be the largest online. Properties in many locations are offered. This website is free, although they do ask you to sign up, and offer paid memberships which allow more thorough and frequent searches. This is a great site for becoming familiar with what sort of commercial properties are available, and learning to recognize what might be a good buy.

There are websites where individuals can list their own homes for sale without going through a realtor. Buying properties offered this way can sometimes allow a savings of the money normally paid a realtor in commissions, but you also will not have the benefit of a realtor's knowledge of such information as local rents and vacancy rates. FSBO is at <http://www.fsbo.com>. Some other sites on which owners can list their own homes online are <http://www.forsalebyowner.com>, and <http://www.owners.com>.

<http://www.landauction.com> shows properties for sale at auction. Read all information carefully and do some careful checking if you plan to use this site, as some properties have no utilities or even access roads. Ideally, a potential buyer should probably physically go to inspect the property.

HUD: many people and websites would like to sell you access to the properties HUD offers for sale, but links to the properties are right on the web at <http://www.hud.gov/homes/homesforsale.cfm>

There are some general sites that can be helpful in learning about real estate investing. One is <http://www.homegain.com>. This site has a tool that can be used to determine the approximate value of a house based on the address, as well as references to loan sites.

There are also real estate sites maintained by professional real estate associations, such as <http://www.realestate.com>, and <http://www.realtor.com>. These can be helpful starting places when you are searching for property in various communities, and can also help you find a realtor. My real estate lending website is [www.cynthiapirllendingprofessional.com](http://www.cynthiapirllendingprofessional.com)

Many sites can be found that list businesses for sale, and I have included some of those websites in Chapter XIV. If there is a specific type of real estate you are looking for, or are looking to learn about, a simple Google search will likely yield some links to what you're looking for.

## **Books**

Beginning your real estate education with that about which you are personally curious doesn't hurt, and if you have specific questions about the various aspects of real estate investing it is likely that there is a book that will answer those questions. You can do a search at Barnes & Noble online or at Amazon to get an idea of what is available. I will share with you the titles of a few of the books I have found helpful.

*Real Estate Riches* by Dolf de Roos is a part of the Rich Dad series, and was the first real estate book I read. Well, at least it was the first one I finished. I picked some up at the local library and did not find them helpful so I returned those and found this when I looked for something else at the bookstore. This book is not an intensive practical how-to book, but it has great inspirational value. In reading it you can have your vision lifted and become excited and encouraged about real estate investing. My only caution is that the author is so enthusiastic about real estate that in reading him you might be tempted to forget the other aspects of investing and focus only on real estate.

A good basic handbook is Robert Irwin's *How to Get Started in Real Estate Investing*. I found this book helpful in getting a grasp of the practical aspects of real estate investing. For simplicity combined with thoroughness this book is, in my opinion, hard to beat.

The McGraw-Hill 36-Hour Real Estate Investing Course is another very good handbook for the aspiring real estate mogul. If you check out the chapter list at Amazon.com or in a bookstore you'll see that there are chapters on subjects ranging from quick and inexpensive ways to increase property value to why property values go up and down.

Another book I have enjoyed is *How to Make Millions in Real Estate in 3 Years Starting with No Cash* by Tyler G. Hicks. It's a good book; helpful, inspiring and thought-provoking. Please know in advance that the author also publishes a newsletter and sells some other investor services, which seems to me to detract a bit from the book. If you generally find non-fiction books boring you may find this one a bit easier than others to get through.

## **Classes**

You can spend hundreds on audio series you can order by mail, up to thousands on seminars. While you may find these helpful, if you have the time you may want to take a real estate class at a local community college. In so doing you will gain a foundational knowledge of the real estate business as well as conditions of the local real estate market. You may also meet some professionals with whom you can develop relationships.

## Chapter XIV Paper Assets Beginning and Resources

Genesis 34:10 *“And ye shall dwell with us: and the land shall be before you; dwell and trade ye therein, and get you possessions therein.”*

As with real estate investing, the first step in becoming an intentional paper asset investor is learning and I have repeated a few critical ideas in the hope that they will sink in more deeply. It’s possible to find a lot of specific knowledge on specific subjects—such as options, futures, complicated charting and so forth—that have potential to take you off-track, so in the beginning I suggest that you try to gain some general knowledge, then add specifics to it as you begin to feel you have a grasp of how markets work and how you can plug into them to increase your holdings. Options and other variations of trading do have potential for great profits, but it would be nearly impossible to understand how to prosper with options without understanding how to prosper with stocks, so I recommend that you begin by learning about stocks.

### Timing

When the major indices (the 30 Dow Jones Industrial Stocks, the S&P 500 and 600, the NASDAQ, the Russell 2000 to name a few) are going up, seven out of ten stocks increase in value. When the indices are in decline, nine out of ten stocks decrease in value. I hope you will take a moment to appreciate the implications here. No matter how good your stock picks are, if the market is going down, your stocks are very likely to go down with it. By the same token, if the market is rising in value, your picks don’t have to be the best and you still have potential to make money. Of course your gains can be enhanced by a good strategy for picking stocks, but the really crucial aspect of trading is being able to roughly time the market.

Sounds simple enough, doesn’t it? If you can do it even moderately well, you will outshine some of the brightest stars among the talking heads seen on weekend financial programs. That’s because it is very difficult to get a handle on market timing. But there are strategies to apply to your trading that will help keep you from finding yourself on the losing side when the markets are tanking. We use our Sand 2 Pirls timing signal and are pleased with its performance.

Most services and software that offer help in picking stocks also offer various means of market timing. One of the simplest ways in which to keep track of where the market seems headed is to read Investor's Business Daily. The editor, Bill O'Neill, has an almost uncanny ability to know where the market is, and the current general trend of the market, and he shares that information every week day in a column called The Big Picture, found on the first page. Some people who follow the markets feel that Bill O'Neill has a bullish bias (in other words he wants the market to go up and therefore believes that it is), but the calls he makes about when to stay in the market and when to get out are very helpful and often right. You will find more about IBD in the helpful links portion of this chapter.

One cautionary saying about market timing is "Buy on the rumor, sell on the news." In other words, by the time a stock move or company success is significant enough to make the news, nearly everybody who has an interest in buying the stock already has bought it and values will likely take a dip as people who made money on their trades cash out. This is true about the market in general. Some traders will try to chase big moves in the market and such trading often does not produce desired results. After a large move there is almost always a pull-back. Buying on the pull-back sounds like a good idea, but generally isn't. IBD editor Bill O'Neill says "Never try to catch a falling knife," and recommends that investors wait for the beginning of a new advance rather than buying on a dip. If prices go down there is no dependable way to tell exactly where they will stop.

Other timing methods that you might employ are learning some basic technical indicators, such as a new high on low volume which can signal declining interest in investing and therefore a coming downtrend, and apply them to index charts. I mentioned Woodie's CCI Club briefly before. Although Woodie's is primarily a method of trading commodity and index futures, a very solid foundational understanding of Woodie's CCI might enable a trader to anticipate market moves, and could be used for timing stock trades.

## **Elliott Wave Theory**

I won't write too much about this because a fairly in-depth study would be required to learn the system well enough to depend upon it for timing, but these ideas show forth God's glory in the created order in a subtle and beautiful way. Wave patterns can be found when analyzing nearly any natural phenomenon (if you are interested, do a quick web search of The Golden Triangle/Section, and Fibonacci numbers or just check out <http://www.mcs.surrey.ac.uk/Personal/R.Knott/Fibonacci/fibnat.html#spiral>), and the fluctuations of stock market values, because they are based

upon human emotion, are no different. Stock prices are driven by the tension between the human emotions of greed and fear. Very simply, people buy because they are greedy for profit, and they sell because they are afraid of loss.

Those who study stock index charts intently can identify repeating wave patterns that show the ever-changing tension between fear and greed. Generally, there is a pattern of three pushes in the direction of a trend whether the trend is up or down (although the general direction is not always obvious). This sort of study might be helpful to some degree, but the patterns are much easier to identify with hindsight. Projecting them on future market moves is a skill very few people develop to a degree that would be helpful. There are some newsletters that follow wave patterns and try to determine where markets are going based on the application of wave theory to stock price movements, but these newsletters certainly are not correct 100% of the time.

There is a film called *Pi* that explores the idea of using Fibonacci numbers to predict movements of the stock market. The film is a bit disturbing because the main character experiences pain and frustration, but it will spark your imagination.

As a note on market timing, I would like to suggest that market timing can be the foundation of a solid plan for getting into and out of trades, and a solid strategy for when to get into and out of trades (whether they are winning or losing) has the potential to remove the emotions of greed and fear from *your* paper investing. Becoming free of decisions based upon these emotions is one of the most significant steps an investor can take, as these emotional decisions will generally follow the market rather than anticipate it correctly, and therefore will keep an investor on the wrong side of most trades. Wisdom dictates making trading rules for yourself based upon some objective criteria and following the rules relentlessly.

## **Choosing Stocks**

So, once you have some understanding of market timing and are ready to begin investing, how do you pick stocks? In Chapter IX I mentioned that there are various levels from which one can approach this undertaking. For the sake of simplicity I will highlight four methods of trading. There are various ways in which to apply each strategy I will highlight, and my best hope is to give you a general idea of approaches you can take.

No matter which method of choosing stocks is settled upon, every trade should be entered with an exit strategy planned. Target prices can be set (both on the winning side and to cut potential losses) at which positions will be closed.

You have likely heard of The Motley Fool (<http://www.fool.com>). One of the methods of investing promoted by this approach can be summed up as “buy and hold.” Stocks are chosen for their good fundamentals (fundamentals are the facts about the underlying companies), and held until they increase in value. Sadly, many people also hold them beyond the time they increase in value, and miss their best opportunities to profit by holding stocks too long, as the peak of value is passed, and the investor may be holding stocks worth much less than they were worth at the peak. Do you know people who were active in the market in the spring of 2000? Those who were in the “buy and hold” camp lost lots of money. If an investor can afford to hold the stocks long enough for the market to rise again and pull stocks up along with it this method might be OK. But there is no guarantee that all stock values will rise again. Sometimes companies go out of business, and in such cases stocks are worthless.

The time commitment in this sort of investing has to do with intently studying companies and their potential for growth and profit. Companies with these things are considered a good investment. They might well be a good long-term investment, but if you want a more aggressive strategy by which you can see more rapid returns you can probably do better.

According to my loose designation of investing levels, the next level of paper asset investing requires the investor to be somewhat more proactive, but stock picks/decisions are still primarily based upon information about stock fundamentals, with the addition of watching stock charts and waiting for a move generally called a “breakout” that will usually indicate that the stock is gaining momentum and beginning to increase in value rapidly, likely because fund managers are buying the stock. Investor’s Business Daily (<http://www.investors.com>) recommends this approach and the daily newspaper (which also has a very good website) educates and coaches readers in how to apply this strategy. For my money, IBD is the best place in which to begin a paper asset investing education. Eventually, as you read and learn you may wish to move beyond IBD’s strategy. I still find the publication a great help. Also, the Business Marketplace in IBD often has interesting business opportunities listed. IBD additionally offers a premium online chart subscription that allows users to search for promising stocks based on information from their charts, including technical selection criteria.

CNBC University (<http://cnbcu.com>) would bump up the level of investment acumen. If you are starting with very little or no knowledge of stock market investing and want to get a jump start and begin almost immediately, this is, in my opinion, the direction in which to go. This is a bit pricey. Users begin by attending a paid seminar, and then become subscribers to a service. The seminar teaches subscribers how to use the service, which offers a range of tools for picking stocks. Market timing is a part of this service, as specific buy and sell recommendations are offered for stocks. This system is set up in such a way that users learn a system that can be applied to their individual goals and preferred ratio of risk to reward. I learned about this service at a free seminar, which they offer in major cities on a fairly regular basis. If Don had not undertaken to become thoroughly acquainted with another stock picking software/service and I had to pick stocks on my own, I would likely become a subscriber to CNBCU. It is a simple enough system for older children to learn (maybe you can convince them it is a video game they can make money with), and, I think, a great way for them to begin their financial education.

The program Don and I use to pick stocks and time our trades is Vector Vest (<http://www.vectorvest.com>). This is billed by the Company as being the most powerful search software in the industry, and if you get a trial subscription and tinker with it you may begin to believe that it is. The program allows users to employ various searches based on strategies ranging from aggressive and more risky to safer and less aggressive. Many of these searches are canned and included in the program. There is a steep learning curve here, but the rewards of learning the program make it worthwhile. The program allows extensive backtesting, which users will want to take advantage of. With backtesting it is possible to test strategies in various market conditions, so that testing can be done in similar market conditions to those which exist at the time the user wants to make trades, which makes successes more likely. Of course there are other similar programs but as we have studied them we have concluded that this one is at least as good if not better than the others.

In my opinion, trying to begin trading without the support and benefit of some program or system is very risky and foolish. This sort of shoot-from-the-hip trading is the reason most people liken trading stocks to going to Las Vegas to try to win money. My advice is, bite the bullet, subscribe to a service, learn it, develop a strategy within its scope, and use it faithfully. Again, if the cost seems prohibitive, a cooperative could be formed in which information could be shared. Perhaps among your friends one person could subscribe to IBD, one to CNBCU and one to Vector Vest, and you could compare notes, then all share whichever one best corresponds with the trading strategy you devise.

## Trading Frequency

You have probably heard of day traders, or people who follow stock moves minute-by-minute and make many trades a day to try to improve positions. There is definitely money to be made here, but day trading has many limitations, as it becomes a job, and really a rather demanding and nerve-wracking one. If you have the temperament for it you may want to try it for some time. We are in a user's group with a semi-retired man who very much enjoys day trading and who is very successful at it. He uses a program called Trade Station which directly links him into the markets, and in real time he can watch charts as prices move and make trades that are immediately executed. He has been watching ticks of price changes long enough that he can usually anticipate the moves. This would take a great deal of practice, and I'm not sure that everyone would have the patience to develop this skill.

Most IBD people daily (once a day at the end of the trading day) look at their stock prices and make decisions about what to sell, what (if anything) to buy, and what to hold. They would generally have rules for selling, rules for buying, and rules for how long to hold a stock. All of these rules are based upon performance and/or potential. Once a strategy is established it should take less than thirty minutes to look in on a portfolio and make any necessary changes, and that thirty minutes can yield you some nice gains with an effective strategy.

Don's market signal is designed to evaluate market conditions on a weekly basis. We have no emotional ties to our holdings. If certain specified criteria are met, we dump them. This sort of discipline is necessary to cut losses. While it is true that a foundering stock may recover and do well, there are other stocks that are doing better, and waiting for the laggards to catch up will take time in which money could have been made on winners. Having a lower-priced broker can help ease the pain of the more frequent trades required to replace your losers with winners.

As with the rest of your strategy, once you determine your trading frequency, stick with it. Any strategy only works if you are willing to follow it. Remember that as you are developing a strategy, so you don't set the bar of your involvement higher than is workable.

## Short Selling

Stock prices don't need to be going up in order to make money in the markets. When a downward move is anticipated, investors can borrow stocks they don't own from a broker, sell them at today's price, then buy them at a future date, preferably after the stock has lost value. This practice allows an investor to sell a stock at today's high price and buy at—hopefully—tomorrow's lower price. If your market timing mechanism tells you that the market is going to have a bearish (in which the market loses value) session, you can sell short. Then any move downward will improve your position, because the difference between selling and buying prices will go up. Finding places to learn about choosing poor stocks for short selling is not quite as easy as finding places to learn how to pick healthy stocks for long positions. Generally stocks that have had large run-ups and whose fundamentals are losing strength might be good candidates for short selling, if, *and only if*, the major indices are trending down.

Here's an interesting thought about short selling. Many stock papers and websites offer information about the amount of "short interest," or how many investors are selling short in anticipation that a stock will go down. If short sellers are wrong and the stock or market goes up, the seller is forced to buy to cover. In doing this short sellers can drive prices up significantly. Therefore, if you notice a stock that looks good and has a lot of short interest (referred to as SOIR or short open interest) you can know that any significant upward move in the stock price will force short sellers to buy, which will drive the price up, and sometimes rather quickly.

If you are anticipating a downward move in the markets and want to sell short it is necessary to have a relationship with your broker that will allow you to do so. When you are looking for a broker you might want to consider the ease with which this sort of approval and transaction can take place. A strong caution about selling short is the potential for virtually limitless loss. When entering a long position (in other words simply buying a stock) the most that can be lost is the amount of the investment (price of the stock) because the price can only go to \$0. In short selling there is no limit to how high a stock can go and therefore no limit to the potential for loss. However, in any trade a careful investor watches an investment closely and, unless dramatic news caused a stock to abruptly make a huge move, this risk is not great.

In considering whether to sell short, timing of the market is critical.

## **Buying on Margin**

Buying on margin is a means by which there is potential to double any increase made in a stock trade. The amount of a position is matched with funds borrowed from the brokerage, so that twice the amount of stock can be held as there is actual money in your account. So your account value can be double the amount of money you have put in. Interest must be paid to the broker for the funds borrowed, but generally these interest rates are fairly low. The disadvantage of margin trading is that if your stock picks are wrong and you lose, you lose twice as much. But careful attention to your portfolio and quick action when a trade goes south can minimize any losses. One note about margin trading: many aggressive strategies will include stocks priced below \$5 and it is usually not possible to buy these lower-priced stocks on margin.

## **Options**

I gave a definition of options in the first chapter on paper assets, but as a refresher, options give the holder a right to purchase (in the case of calls) or sell (in the case of puts) a stock at a certain price for a set period of time. Options can be bought (this would be a long position), or sold (this would be a short position), or can be held in combinations called spreads. There is a lot to learn here, but also a lot of potential. A few websites I have found to be helpful in learning about options are [schaeffersresearch.com](http://schaeffersresearch.com), <http://www.888options.com>, and <http://www.optionsxpress.com>. There is another site which I haven't used much, but which you might find helpful: <http://www.theoptionsinstitute.com>

## **Mutual Funds/Floor Trading**

This, in my opinion, is the best way in which to choose a mutual fund: don't. Generally, market averages and simple market indices perform better than most mutual funds. It is possible to purchase stocks based on indices and this makes more sense to me than mutual funds. In case I didn't state my point clearly enough, it is possible to make a lot more money by investing on your own and foregoing mutual funds. You can do this! It really isn't as hard or as mystical of a process as the insiders make it look to be. This is one of the great messages delivered by The Motley Fool.

As I am writing this book in November of 2003 there is a breaking scandal about mutual funds and how they are managed. I'll write just a little about floor trading (and by floor trading I mean trading by the guys on the stock exchange). Markets are moved by a few powerful people. Generally they know how to move the markets to their advantage. Sometimes they are caught off-guard by quick aggressive moves, and you have days like the great crash in 1929, when they themselves panic. CNBCU and IBD both advocate watching for large stock moves that indicate the interest of fund managers. CNBCU even has a color chart to help determine when there is a flow of fund money into or out of various industry groups, so you can use that information to anticipate future fund investment and make more profitable trades. The idea is if you follow initial moves of the big money you will likely do well. Large traders sometimes manipulate markets. I write this not to make you afraid or even cautious, but to help you understand how the markets work. Prices sometimes go down because large traders are trying to squeeze investors out of positions, so the price goes down even more, so traders can get a better deal when they buy at the new lower price. This is all legal, but somehow does not seem to me completely just. In every trade, there is a winner and there is a loser. Study will help you become faithful as one on the winning side of trades.

## **Brokerages**

Moving beyond market timing and stock picks, another investing consideration is choosing a broker. Generally, as you might guess, the more services you receive from a broker the more your trades will cost. If you trade online you'll be able to save money and have trades quickly executed, but even the cost of online brokers varies according to services received. Some sites have lots of great information and stock evaluating and charting resources, and therefore cost more. If you employ software and/or a service to choose your investments you won't need all the services offered by the more pricey online brokers. Do a Google search for "online brokers" and scope them out. Currently we use Options Xpress (<http://www.optionsxpress.com>) and Interactive Brokers (<http://www.interactivebrokers.com>). You may want to use a broker with whom you already have a relationship, and if you are a beginner you may need a broker who will hold your hand, but I hope you will compare commissions just for fun. Remember, a part of stewardship is getting the biggest bang for your buck.

## **Additional Websites**

Below is a list of websites you may find helpful, some of which I haven't yet mentioned:

<http://www.investingbonds.com> is a site with information about bonds. We are not into bonds right now, but I wanted to include this information in case you have an interest (no pun intended).

<http://www.precision-info.com>

<http://www.barronsmag.com> Barron's

<http://www.zacks.com>

<http://www.sec.gov>

<http://www.cboe.com>

<http://www.thestreet.com>

<http://www.briefing.com>

<http://www.firstcall.com>

<http://www.investopedia.com>

<http://www.thestreet.com>

<http://www.groups.yahoo.com/group/holygrailsm>

Subscribe to Charlie Miller's commentary by emailing [cemcemcem@aol.com](mailto:cemcemcem@aol.com)

<http://www.marketwise.com>

<http://www.traderbot.com>

<http://www.advancedanalyzer.com>

<http://www.marketedge.com>

<http://www.stockcharts.com>

<http://www.acommodity.com/turtles.htm>

<http://www.woodiescciclub.com>

<http://www.s2pmarketsignal.com>

## **Books**

The number of books available on paper investing is almost boundless. Don has lots of good books on technical investing and Elliott Wave theory and the like, but I won't even mention them, as, unless you want to read them for fun, they will mostly be supplemental information, especially if you decide to use a system like Sand 2 Pirls, Woodie's CCI, CNBCU or Vector Vest. There are only two books I will mention on the subject of stock trading:

*How to Make Money in Stocks* by IBD editor William J. O'Neil is a great basic book on investing. If you accept a trial subscription from IBD (again, I receive no compensation from IBD) you will usually receive the book as a gift.

The other book I would recommend is on a technical evaluation method called "candlesticking." *Candlestick Charting Explained* by Gregory L. Morris can be helpful in learning to read price charts.

Now it's time for you to surf, surf, surf and read, read, read. I hope you won't become discouraged by the amount of information. Start somewhere and focus until something begins to make sense—and it surely will eventually. No matter how you choose to begin, it is most wise to study for a period of time before actually beginning to risk hard-earned money.

# Chapter XV Demo Trading

*2 Timothy 2:15 “Study to shew thyself approved unto God, a workman that needeth not to be ashamed...”*

I thought about naming this chapter Important! Read Me!

If you are learning about investing and haven't done much yet you are probably excited and anxious to get started. I must honestly communicate to you that if you leap into investing without adequate preparation your foray into the world of investing will likely leave you bruised and perhaps broken.

Some say that the worst that can happen to a beginning investor is to have some successful trades. Your first few trades will either be winners or losers. If they are losers, it's likely you will begin to think of yourself as the next Warren Buffett. You'll be thrilled and begin to tell all of your friends that they should learn to trade. If your first few trades are losers you will instead think of yourself as Navan Johnson, the character in *The Jerk* who invented the Opti-Grab eyeglass handle that made people go cross-eyed. Neither characterization is accurate. You aren't a market whiz and you aren't a hopeless loser. You are simply a beginning investor. How can you protect yourself and your money from yourself?

The answer is you can't entirely. You are going to make some mistakes and some of them might be costly ones. I have heard seasoned excellent traders say that they have made many order entry mistakes. Everyone who trades makes judgment mistakes regarding entrances and exits. Aside from all that has already been discussed, there are two most important ways in which to avoid some of the worst of mistakes. The first is trading a system, which has already been discussed. The second is practice. Yes, practice, just as if you were entering a sport. A trading system should be backtested before it is used to determine its accuracy. Practice is in addition to this testing.

Many online brokers offer free demo accounts to facilitate this practice. This practice is also referred to as “paper trading,” because you are placing trades only on paper, so to speak. Naturally this term is not literal because trades are made electronically. The idea is that no money changes hands. The trades are not real, although they can be a real-time, realistic experience. Practice trading the way you would prepare for a sport or any demanding activity. Study the way your charts, tickers, and any additional software work. Practice entering orders with the broker

you will use—each has a slightly different interface. Decide what criteria you will use as you make trading decisions. Make rules for yourself, practice them, adjust them, then practice them as you have adjusted them. Then practice some more. As with learning to drive a car or participate in a sport, practice until it is second nature and you don't have to think about how the mechanics work. You will have plenty to think about.

And your brain must be free and accessible so you can make rational decisions rather than emotional decisions. The emotional tension in trading is between fear and greed. Fear can make you exit trades too soon and greed can make you stay in them too long. Both of these emotional responses can cost in profits.

If you practice using your trading system by paper trading you can identify and overcome your weaknesses much as you would in practicing for a sport or athletic competition and train yourself to respond to market conditions with as little emotion as possible.

I would rather not recommend a time period necessary for paper trading. The optimal time will vary from person to person depending on such things as how quickly a person learns things and how much a person has his/her emotions under control. Trading must be done rationally.

Find a broker who has a demo program loaded with dummy funds so you can paper trade and track your trades. Yahoo offers this service in the stock market. Sign up and begin recording your practice trades. Once you can do this well with few mistakes and little emotion, you will be much better prepared for actual trades. One large goal in investing is to be able to be rational rather than emotional.

## Chapter XVI Businesses Beginning and Resources

Matthew 13:45 *“Again, the kingdom of heaven is like unto a merchant man, seeking goodly pearls.”*

In the chapters on real estate your learning can be focused on some basic principles, on potential, and then on local values. With paper assets the basic lessons are market timing, choosing investments, and knowing when to sell to make profits. In business investments my hope is to offer some ideas that will spark creativity, imagination, and, thereby, workable, profitable businesses.

If you are beginning with large financial resources, there is great potential for profit in the business world. In Chapter VII I wrote about the different ways in which investors can break into this world. For someone who has some capital to invest but perhaps not a lot of time or effort to spend, franchises can be a good place to begin to investigate. A quick Google search can direct you to many franchise web sites that will allow you to compare opportunities, but a few helpful web sites are: Small Business Franchise (<http://www.smallbusinessfranchise.com>), which features businesses that can be begun for less than \$500K (and remember, many franchises are pre-approved for Small Business Administration loans), the Federal Trade Commission’s Franchises and Business Opportunities page (<http://www.ftc.gov/bcp/franchise/netfran.htm>), Entrepreneur’s Franchise Zone ([http://www.entrepreneur.com/Franchise\\_Zone](http://www.entrepreneur.com/Franchise_Zone)), Franchise Direct (<http://www.franchisedirect.com>), and Power One Media Franchise Center (<http://powerone.fransol.com>).

Whether or not a franchise is approved for an SBA loan can be a helpful indicator of how good the company’s business plan is. A company with a good business plan can usually be approved for loans.

Business opportunities can also be found in classified sections of most larger newspapers, and they might range from MLMs like Avon or Shaklee to well-established businesses including real estate that are for sale because owners are retiring. Spending time surfing the classified portions of the web sites of large papers is helpful in exploring possibilities and becoming inspired.

There are also many web sites that feature established businesses that are for sale. Some of the largest and most informative are Restaurant Realty ([www.restaurantrealty.com](http://www.restaurantrealty.com)), Merger Network ([www.mergernetwork.com](http://www.mergernetwork.com)), California

Biz's For Sale ([www.CalifBizForSale.com](http://www.CalifBizForSale.com)), Bizquest (<http://www.bizquest.com>) The Business Buyer Resource Center ([www.diomo.com](http://www.diomo.com)), Businesses for Sale (<http://www.businessesforsale.com>), Biz Buy Sell ([www.bizbuysell.com](http://www.bizbuysell.com)), and Business Broker ([www.businessbroker.net](http://www.businessbroker.net)). I hope you won't be overwhelmed as you search. There are many options. Simply try to match your interests and abilities and the amount you can invest with an opportunity. For those who can afford a large franchise, there will likely be managers hired to run it, so owner involvement will be less hands-on, and the largest consideration will be how much cash flow will be generated, and what the return on investment will be.

If you can't afford a large franchise (or even a small one), there are some options for beginning a business yourself that are reasonably workable. In October of 2003 Barron's Magazine ran an article on an organization that sponsors budding entrepreneurs. These entrepreneurs are given start-up money for small, home-based businesses, and many of them are successful. The aspiring tycoons are mothers of needy families. In the US they are given \$400 and in other countries they are given \$100. Starting a small business doesn't really take many resources, although it does take some resourcefulness, some hope and some focus.

I hope readers of this book will not rule out MLMs too quickly. The term "Multi-Level Marketing" calls up images for many of us of nights kept up late by friends who wanted to "talk" to us, then gave us two-hour presentations of the great "opportunities" (that fit neither our interests or lifestyles) they were desperately hawking. Yuck. But that isn't the end of the story. Many women do very well as Mary Kay representatives, and many families supplement their income with proceeds from Shaklee vitamin sales. Some MLMs have viable, valuable products and rewarding compensation plans. A helpful web site for MLMs is MLM Woman (<http://www.mlmmwoman.com>). A Google search will yield many results, but many of them are either selling a specific opportunity or warning readers away from all MLMs. Read the warnings and heed them, but if an opportunity seems good after careful investigation, it may indeed be good.

We have recently become involved with an MLM Company called Everyday Wealth. I have had a hesitancy about participating in MLMs in the past. One of the things that made me reconsider is the fact that Robert Kiyosaki, in his Rich Dad approach to increasing wealth, considers MLMs helpful in many ways. Many offer sales training free or at very low cost, and sales training is helpful in any business and many commerce situations. Salesmanship can be helpful in such situations as getting loans, meeting with clients, and generally any interaction with people.

One of the aspects of Everyday Wealth (<http://www.sand2pearls.com>) that makes it most attractive is the fact that the services offered serve to help subscribers get out of debt. Seeing Christians (ourselves included) break free of debt is something we both consider important, and a part of what we believe the Lord is doing in the Church (and here I mean the Church Universal) at this time. I believe an ideal business is one which fits with our vision for how the Lord wants people to live.

If you would rather forego MLMs, there are many other ways in which to begin a business. A route that can be taken by just about anybody who has Internet access is selling on Ebay (<http://www.ebay.com>).

You can sell a product you make, such as a cookbook, or some simple clothing or craft that fits a niche market where there is demand. Or you can run classified ads in newspapers offering to help people sell things they no longer want and split proceeds with them. Another possibility is buying liquidations, overstocks and so forth, and selling them on Ebay. There are even web sites that offer liquidations, as does Ebay itself. On Ebay a search for “liquidations” will yield many references. Some other web sites where liquidated inventory can be found are <http://www.wholesalesource.net>, <http://www.dropshippingwholesalers.com>, <http://www.liquidation.com>, <http://www.smc corp.com>, and <http://www.wholesale411.com>.

There are police/government auctions at which unclaimed properties are sold, and some businesses, such as airlines, sell unclaimed property at auction or very low prices. There are some paid services that help in finding the auctions. One is <http://www.government-auctions-guide.com>. A Google search for sites containing “unclaimed property auctions.gov” yields interesting results.

It is also possible to purchase over-runs and other items priced below wholesale directly from manufacturers. The Thomas Register ([www.thomasregister.com](http://www.thomasregister.com)) lists US companies and what they produce. The web site provides contact information and allows searches for companies based upon products, so it is possible to surf Ebay for awhile, learn what sorts of products are in most demand, then search for companies that manufacture those products, contact the companies and try to strike deals to purchase products directly from the manufacturer.

Ebay even provides a means by which individuals can establish their own online stores, as does Yahoo! And Pay-Pal makes collecting payment online very easy. Pay-Pal has no up-front costs, and provides html for use on web pages

with buttons for “Buy Now,” and “Check-Out,” included. Pay-Pal does require a small percentage of proceeds from sales, but it’s comparable with what would be charged directly by Visa or Mastercard for online transactions.

The ideas for beginning businesses are potentially as boundless as needs and wants people have and business owners who are willing supply them. Look around you, see what needs you can perceive, think how you can fill them while making a profit. Are you in or near a neighborhood that is in the process of being improved, and in which property values are increasing? Of course you could buy homes in sad shape and restore them, but if you don’t have much cash available for down payments, it might even be possible to restore homes for current owners and split profits. Use your imagination. Consider possibilities. Of course there are some practical considerations too.

### **Business Planning and Organizing**

I haven’t written much about the T word: taxes. How you organize a business can make quite a difference in the amount of tax you will pay and the amount of profits you may keep. In this regard it is probably worthwhile to seek help from a professional. But try to find one that works with entrepreneurs and business owners, rather than simply enlisting the help of the CPA down the street.

A thorough and specific business plan will be helpful in many ways to anyone endeavoring to begin a business. A business plan sets a course for the business, and can help in anticipating challenges, needs and growth. A plan is also necessary in obtaining business loans.

There are books, software and web sites that can be used in writing business plans. A good free resource is the Small Business Administration’s page on business plans ([www.sba.gov/starting/indexbusplans.html](http://www.sba.gov/starting/indexbusplans.html) ). A Google search for “business plan” will point the way to many resources. A search for “business plan” at Amazon or Barnes & Noble online will also yield many books and some software programs that can be helpful. I’ve used *How to Write a Business Plan* by Mike McKeever, but there are many good ones. A very helpful book on business management is *E-Myth* by Michael E. Gerber.

It is possible to hire professionals to help in organizing businesses. But the more a business owner can do himself/herself, the more he/she will know and understand about the business.

## Chapter XVII All Things In Common: Support & Networking

Acts 2:44-45 *“And all that believed were together, and had all things common; And sold their possessions and goods, and parted them to all [men], as every man had need.”*

Have you seen this in action? As I write in 2003 AD I haven't. I have seen somewhat wealthy churches and I have seen somewhat poor churches, and at each end of the spectrum I have seen people with excess and people with need.

I have seen churches with one or a few wealthy people. While I have seen these wealthy people give money, help meet needs, and give jobs to people in the Church (in some ways at times, seeming to use the Church as a source of willing, dependant, dependable and innocent employees), I have not seen them teach others how to become wealthy, and as I wrote in an earlier chapter, becoming wealthy has much to do with knowledge that can indeed be taught or shared with little cost to the one who possesses it. If I did not believe that the ability to make wealth can be taught and imparted I would not have written this book. So why have the wealthy in the Kingdom not done more to teach others the things they know that have enabled them to make and keep wealth?

Let's be honest now, OK? Can you afford more food than you eat? Do you give some of it away? Do you want to? Are you ready to share everything you have with your churchmates? This is not easy stuff. We know how to protect what we have (which doesn't much help us in investing), including knowledge. Most of us haven't exactly been raised knowing how or being prepared to give away all of our stuff, or even to risk in investing, although potential returns from either of these actions may be huge.

As we have studied investing Don has come to believe that sharing investment knowledge and wisdom is a very good way in which to begin to move toward having all things in common. If we share the knowledge we glean, we will be sharing not our wealth, but a part of the source of it; a part of the driving force behind it. As I write, Don and I are endeavoring to put together a group of local friends to share investment ideas, and we are hoping to hold free investment seminars in churches at some point in the near future.

Apart from learning and sharing knowledge, there may be things we are not able to effectively do on our own. Remember how I suggested in an earlier chapter that you assess your abilities, desires and resources? It's possible

if you pool yours with those of other believers you will be able to do more together than you would be able to do individually.

I know this may seem like a radical idea. Most of us aren't there, in vision or in developing the degree of trust that would be required. This required trust is not trust in man alone, but also in the Lord, to be at work to call people into account if they were to behave less than honorably. In the Book of Acts, in the part of Church history in which it was said of the disciples that they had all things in common, the Holy Spirit proved Himself faithful, working among them to hold everyone to speaking the truth and living according to a high standard of integrity. Annanias and Sapphira did not survive a lapse of dishonesty when they lied to the Church about the price of a piece of property they had sold. Nobody had required them to give the proceeds to the Church. But when they did so they came to the point of no return. Both of them were struck dead upon lying to Peter and the others. Sharing in investing endeavors would require of us complete innocence of intention, purpose and behavior toward one another. This is a high standard, toward which we believe the Lord is moving us all.

I would like to make a few practical suggestions, but please understand that I have not yet personally participated in investing as a group with other believers, so my suggestions are not based upon experience. For anyone who decides to invest as a group, it seems wise for everyone involved to stand to benefit or, worst case scenario, lose the most (and if there weren't some potential for loss there would be no need for faith and faithfulness). I certainly would not want to exclude anyone who is wealthy from an investing group. But in order to circumvent a potential for hard feelings to develop it's probably best not to have the person with a large income put in the same dollar amount as a person with a small one. If there is loss, the person who has put in a larger part of his/her paycheck may be tempted to become resentful. A better way might be to equalize the risk-reward potential as it fits in people's lives. One way to do that might be to ask people to put in a percentage of their income. Another might be to invest with those in your own tax bracket. We should remember that we are not looking to accumulate large amounts of wealth for ourselves like the man in Luke 12. And certainly, the relationships certainly mean more than any potential for increase. Jesus said that we would be known as His disciples by our love for one another (John 13: 35).

I hope you will not have hope in being involved in ventures with a wealthy person. James told us not to be awed by wealth, and not to treat the wealthy with any special preference: James 2: 1-6 *"My brethren, have not the faith of our Lord Jesus Christ, [the Lord] of glory, with respect of persons. For if there come unto your assembly a man with*

*a gold ring, in goodly apparel, and there come in also a poor man in vile raiment; And ye have respect to him that weareth the gay clothing, and say unto him, Sit thou here in a good place; and say to the poor, Stand thou there, or sit here under my footstool: Are ye not then partial in yourselves, and are become judges of evil thoughts? Hearken, my beloved brethren, Hath not God chosen the poor of this world rich in faith, and heirs of the kingdom which he hath promised to them that love him? But ye have despised the poor. Do not rich men oppress you, and draw you before the judgment seats?"*

James also cautioned the wealthy not to find too much identity in wealth, as it withers as a spent flower. Again, the point is not accumulating wealth, but being faithful stewards of that with which the Lord has entrusted to us.

If you do decide to form an investment group of believers, a logical way in which to begin would be for one person (or one-third of the people in the group) to learn about real estate investing, another person (or third of the group) to learn about paper assets, and another (or another third) to become educated regarding business ventures, and a logical beginning point might be investment interests and/or knowledge and experience individuals already have. All agreements and intentions should be in writing, and the group should be organized for legal and tax reasons. Forming a limited partnership or corporation would facilitate record keeping, survivorship and tax payment (as well as tax savings).

For the meantime, the investment ideas in this book will work for individuals, and, indeed, as I said, Don and I are not teaming with any others to enter investments at this point. But we know that whatever we can do on our own could be increased greatly if pooled with that which others with complementary abilities and resources can do. We have both gained a general knowledge of the three types of investments. But Don has studied paper assets more intently, and I have applied myself to learning about potential business opportunities. We have a friend who has had much positive experience with real estate development and investment, and we hope to partner with him in some endeavors at some point.

I heard a quote today that every invention that works had a time in its development when it didn't. The fact that having all things in common is not attainable right now does not mean that it never will be. There has to be a starting point.

This book for Don and me is a starting point. We have also begun to meet locally with friends to discuss investment ideas. We put up a Yahoo! group that is open to anyone who wants to join. If you are interested in participating you may find information on the web site [www.intentionalinvesting.com](http://www.intentionalinvesting.com). Our next step in this process will be to hold free seminars in churches. We are not looking to begin a new prosperity movement in the Church. We are not even hoping to raise the faith level of Christians to the point where they can enjoy Kingdom abundance on an individual level. We are hoping to help bring financial redemption in individual lives to a higher level in such a way that it raises other believers as well.

In the movie *The African Queen* a boat becomes stuck in the shallows of a delta. The people in the boat despair of life, and lie down to die. As they sleep there is rain upriver, and the level of the water of the river rises. They float into the lake which was their appointed destination.

Do you feel financially stuck? Do you avoid thinking about funds for retirement, children's college education, the next time the car breaks down, or the next lean Christmas? Is it hard for you to be the cheerful giver Paul told us in II Corinthians 9: 7 that the Lord loves?

I believe the water in *The African Queen* is like the anointing of the Holy Spirit in our day: it is rising. And I believe if we flow with the anointing and walk in the wisdom the Lord is bringing to us we can get un-stuck and float right into His purposes for us, which we know include abundance, as Jesus told us He came that we might have life, and that more abundantly.

## Glossary

This glossary contains terms not necessarily used in the book. Robert Kiyosaki, author of Rich Dad, Poor Dad, has said that a significant difference between the wealthy and those who are not wealthy is a financial vocabulary. Use of this glossary as a sort of wealth primer can be a helpful supplement to an investing education. Investor Words.com (<http://www.investorwords.com>) has an extensive dictionary of terms.

**adjustable rate mortgage (ARM)** A mortgage in which the interest rate can fluctuate based on a stated index during a stated time period, typically with a low initial rate.

**adjusted gross income (AGI)** Total income as reported on Federal Form 1040, including allowable adjustments such as IRA contributions, alimony expense among others.

**after hours trading** Trading that takes place after regular markets close, usually weekdays from 4:00pm to 6:30pm EST. Once reserved for institutional investors, individual investors may now participate. Stocks are traded after hours on ECNs, which match buyers and seller with a computer system in order to execute trades.

**aftermarket performance** A benchmark of IPO performance, often tracked from the first day's closing price rather than the offering price.

**agent** A person authorized by a written agreement to act on behalf of another person.

**aggressive growth fund** A mutual fund which owns stock of smaller companies with high potential for growth.

**alert** A notification by email or pager of a market event or price target reached.

**all or none** A trading instruction to execute a trade if and only if it can be bought or sold in its entirety.

**allocation** The amount of stock in an IPO granted by the underwriter to an investor, often based on investing history or ability to hold for the long-term.

**alpha** A measure of risk-adjusted performance calculated by regressing the security's excess return on the S&P 500 excess return.

**American Association of Individual Investors (AAII)** A non-profit organization whose mission is to help educate individual investors.

**American Depositary Receipts (ADR)** Certificates which represent a certain number of shares of a foreign stock, traded on U.S. stock exchanges as any other security is traded, but with the underlying foreign stock kept at U.S. banks in foreign countries.

**American Depositary Share (ADS)** The tradable share issued under an ADR agreement.

**American Stock Exchange (AMEX)** A major stocks and options exchange, merged with NASD in 1998.

**amortize** To repay debt in installments over time.

**analyst** A professional who analyzes companies setting forecasts about their future earnings, revenues, growth rate, and stock price target and making portfolio recommendations, typically as an employee of a brokerage or investment bank.

**angel investor** An investor who invests directly into private, start-up companies, usually considered among the most risky investments.

**annual report** A report published by a company on an annual basis to update the investment community.

**annual return** The percentage profit from an investment over a one-year period.

**annuity** A tax-deferred retirement account offered by an insurance company with a periodic fixed payment made to the policy owner for a specified number of years.

**appraisal** The process of an appraiser giving a measure of market value to property such as residential real estate.

**appreciation** An increase in the value of an asset.

**ask price** The lowest price acceptable to a prospective seller for a particular security.

**asset** Any possession that has value.

**arbitrage** Simultaneous buying and selling of a security at two different markets, with two different prices resulting in a profit. For instance, gold could be bought in London and sold in NY at a profit.

**at-the-money** An option with a strike price equal to the market price of the underlying security.

**average** An arithmetic mean calculated by dividing the sum of the value of a group of stocks by a predetermined divisor.

**balance sheet** One of several financial statements of a company providing a listing of assets and liabilities and giving a snapshot of a company's financial health.

**bank** A financial institution, such as a savings bank, savings and loan, credit union or trust company, engaged in the lending of money to individuals and businesses.

**bankruptcy** A state of being unable to pay debts.

**basis** The original price paid for a property or investment.

**basis point** One hundredth of a percent, usually in reference to interest rates and the yield on bonds.

**bear** A person who expects the market to decline.

**bear market** A stock market in which most stocks are trading 15% or more below their highest prices.

**Beige Book** Periodic anecdotal reports compiled by each Federal Reserve district for the Federal Open Market Committee since May 1970.

**benchmark interest rate** Also called the base interest rate, the minimum interest rate demanded by investors for non-Treasury security.

**beta** A measure of a stock's risk compared to the overall market. A beta of one represents the overall market or average risk for a stock. Stocks with betas greater than one are riskier than the average stock.

**bid price** The highest price a prospective buyer is willing to pay for a particular security.

**Black-Scholes option pricing model** A model developed to value options that incorporates factors such as the volatility of a security, return, level of interest rates, strike price, stock price, and the time remaining until the option's expiration date.

**bond** A long-term debt obligation that is collateralized by specific assets.

**book value** A company's net worth or equity as stated on the company's financial statements.

**bottom fishing** An investment strategy based on finding bargains among low-priced stocks.

**bottom line** Net income or earnings per share, literally found at the bottom of a financial summary.

**breakout** A rise in the price of a stock above a resistance level, or a drop below a support level, typically construed as a buy or sell signal, respectively.

**bridge loan** A short term loan made with the expectation of obtaining intermediate or long term financing within a short period of time, usually three to six months.

**broker** A person or firm that acts as an intermediary between buyers and sellers of securities, never taking market risk.

**bubble** The notion that a market or an economy is overvalued, driven by speculation, and is due to 'burst'.

**budget** A list of how a person allocates money among different expenses.

**bull** A person who expects the market or markets to go up.

**bull market** A stock market in which stocks as a whole are rising in value.

**buy and hold** An investment strategy to buy and hold shares over several years in order to pay favorable long-term capital gains tax on profits.

**buyback** A purchase of securities by the issuing company in order to take them out of circulation, usually to increase the value of remaining securities.

**buying power** The maximum dollar amount of marginable securities before a client needs to deposit additional funds.

**buyout** An effort to purchase controlling interest in a company, typically through a tender offer of the stock.

**call spread** The simultaneous buy and sell of call options contracts on the same security with different expiration dates and/or exercise prices.

**candlesticks** A method of technical stock analysis in which opening and closing prices, as well as the full day's range of values are graphed, producing graphics which look somewhat like candlesticks.

**capital** The total amount of money raised by a business.

**capital asset** Long-term asset, such as land, equipment, and other fixed property.

**capital expenditure** An amount spent to acquire or improve long-term assets, such as property or equipment.

**capital gain** A profit incurred from the sale of a security with a cost basis that is lower than the selling price.

**capital loss** A loss incurred from the sale of a security with a cost basis that is higher than the selling price.

**capitalization** The total dollar value of all common stock, preferred stock, and bonds issued by a corporation.

**cash account** An investment account that requires all securities purchased be paid for in full, unlike a margin account.

**cash basis accounting** A method of accounting where transactions are recorded and revenues and expenses recognized when cash is received or cash is paid out.

**cash dividend** A dividend paid in cash to a company's shareholders.

**cash flow** Earnings before depreciation, amortization, and noncash charges.

**capitulation** The act of giving up on a stock often characterized by panic selling.

**certificate** A physical document evidencing ownership of a stock or a bond.

**certificate of deposit (CD)** A savings vehicle offered by a bank with a fixed interest rate based on the term of the CD.

**certified check** A check issued by a bank, payable to a designated payee, in exchange for cash.

**Certified Financial Planner (CFP)** A designation obtained from the Certified Financial Planner Board of Standards that experienced financial planners can achieve by completing courses on financial planning and passing a comprehensive exam.

**Certified Public Accountant (CPA)** An accountant who has met minimum qualifications, including passage of a two-hour comprehensive exam, sufficient work history and education, and other requirements that vary from state to state.

**charitable gift** A gift of cash, stock, or personal property made to a charitable organization.

**charitable remainder unitrust (CRUT)** A trust which allows an individual or couple to make a charitable gift of cash, stock, or real estate, while receiving income from the trust for their lifetime.

**Chicago Board of Trade (CBT)** A major commodity exchange.

**Chicago Board Options Exchange (CBOE)** The largest market for trading options.

**churning** An illegal practice by a broker placing numerous unnecessary transactions in a client's account for the benefit of gaining transaction fees.

**circuit breaker** A stock market mechanism by which trading is automatically halted (and resumed) when certain events take place causing a panicked sell-off.

**commission** The fee a broker charges to buy or sell securities or property for a client.

**commodity** A raw material, such as wheat, coffee, pork bellies, gold, etc.

**corporate bonds** Bonds issued by a corporation, as opposed to the federal, state or city government.

**corporation** A form of business organization which is owned by its stockholders who owns shares that may be transferred or sold privately or in the public markets. Formation of a corporation can assist in structuring tax shelters and can offer legal protection for personal possessions of individuals who participate in business

**crab principle** The idea that when crabs are placed in a pail or pot any crab that begins to climb out is quickly pulled back down by the others, thus making escape from imminent disaster impossible.

**credit** An agreement allowing a company or individual to purchase goods or services now and to pay at a later date.

**credit report** A report used by lenders to determine a consumer or a company's creditworthiness.

**day order** An order that is automatically canceled if it is not filled that day.

**day trade** A buy and sell of a securities position on the same day.

**dead cat bounce** A small, temporary recovery in the price of the stock that has been dropping.

**death benefit** The amount of money paid to a beneficiary when a policyholder dies. The death benefit is the face value of a policy. The beneficiary is not taxed on the benefit when s/he receives it.

**debit** An accounting entry which results in either an increase in assets or a decrease in liabilities or net worth.

**debit balance** The amount of loan in a margin account.

**debt** Money borrowed with an obligation to pay back, usually with interest.

**debt-equity ratio** A value calculated by dividing the long term debt by the common stockholders' equity.

**debtor** A person or entity who owes payment

**deduction** An amount subtracted from adjusted gross income for the purposes of paying taxes.

**deed of trust** Also called an indenture, a document defining the terms of a corporation's plans to issue bonds or other debt securities.

**default** The status of debt with delinquent or nonpayments.

**defensive stocks** Stocks that generally move counter to the ups and downs of the overall economy, and hence viewed as safe havens in a weak economic environment.

**deferred tax** Amount allocated to cover tax liabilities that have not yet been paid.

**deflation** A decrease in the cost of goods and services.

**delayed quotes** Stock quotes that are delayed, usually by 20 minutes.

**depreciation** The process of writing down the value of an asset each year to reflect the fact that it becomes less valuable over time.

**depreciation expense** A fraction of the original cost of a fixed asset that is recorded as an expense for using the asset in a period.

**depression** A severe economic downturn.

**devaluation** Lowering of the value of a country's currency relative to gold or the currencies of other nations.

**differential** A small charge added to the sale price of odd lot orders as compensation to the dealer or specialist handling the order.

**diluted earnings** Earnings per share calculated as net income divided by the sum of the number of common shares, warrants and stock options if exercised, and all outstanding convertibles if converted.

**dilution** The impact of a transaction that reduces a company's earnings per share.

**direct public offering** Offering of new securities to the public without the assistance of an investment banking firm.

**director** An individual elected by fundholders to oversee the fund's management.

**discount bond** Also called a zero coupon bond, a bond that does not pay interest income until it matures.

**discount broker** A firm that executes orders and provides little or no research or investment advice, but charges low transaction fees.

**disinflation** A slowdown in the rate of inflation without going into deflation.

**disposable income** Money available for spending or investing after taxes have been deducted.

**dividend reinvestment plan (DRP or DRIP)** A plan offered by corporations to re-invest dividends, often at a discount from market price and without incurring any fees.

**dot-com bubble** The rise and eventual collapse of Internet-related stocks in 2000 and 2001 due to excessive speculation in that sector.

**double and triple witching** This happens when stock index options and options on individual stocks (and in the case of triple witching stock index futures) expire at the same time. Trade and volume are often inflated at such times and volatility in prices can occur, as heavily vested options writers (or sellers) may buy or sell stocks in order to lower the values of options

**Dow Industrial Average Model New Depositary Shares (DIAMONDS)** A UIT (unit investment trust) that tracks the DJIA trading as DIA on the American Stock Exchange.

**Dow Jones Industrial Average (DJIA)** Also called the Dow, the leading indicator of the stock market, which is a composite of 30 large industrial stocks.

**down payment** Part of the purchase price that is paid to the buyer up front.

**downgrade** A negative change in rating for any stock or bond.

**due diligence** All the research involved in learning more about a possible investment.

**downline** The direct line of people who sign on to an MLM after one. The downline could be considered one's MLM offspring.

**downtick** A drop in the price of a security in the latest sale compared to the previous sale.

**durable goods** Also called hard goods, items are not consumed or quickly disposed of and may be used for years.

**earnings** The net positive return generated by a business on its operations.

**EBITDA or earnings before interest, tax, depreciation, and amortization** Earning numbers that supposedly presents a clearer picture of cash flow by ignoring noncash charges.

**earnings estimates** A determination made by analysts of a company's upcoming earnings based on guidance provided by the company.

**earnings per share (EPS)** The earnings (or losses) of a company divided by the number of shares outstanding.

**earnings report** A corporate financial statement which reports either a profit or a loss by tallying revenues, expenses and other items.

**earnings surprise** The degree from which actual earnings differ from consensus forecast.

**earnings yield** The earnings of a company divided by the number of outstanding shares, divided by recent market price.

**economic indicators** Key statistics showing the direction of the economy, such as unemployment rate, inflation rate, consumer confidence, and balance of trade.

**equity** Ownership interest in a corporation, typically in the form of stocks.

**equity fund** Also called a stock fund, the value of this mutual fund depends on the value of stocks within a fund's portfolio.

**equity option or, simply, option** A security entitling the holder to buy or sell 100 shares of stock at a specific price for a limited time period.

**escrow** The holding of important documents and money by a neutral third party until the close of a transaction or the conditions of a contract are met.

**execution** The actual fulfillment of an order to buy or sell securities.

**exemption** A tax deduction taken by an individual, a spouse, and each dependent.

**exercise** To act on an option by purchasing the underlying security.

**exercise price** Also called the strike price, the price at which an option executes on a future date.

**expiration date** The last day on which an option can be exercised.

**Federal Reserve Bank** One of 12 member banks of the Federal Reserve System responsible for compliance among commercial and savings banks in its region.

**Federal Reserve Board** Also known as the Fed, officially renamed Board of Governors of the Federal Reserve System by the Banking Act of 1935, the seven-member governing body of the Federal Reserve System that sets reserve requirements and the discount rate.

**Federal Reserve System** A federal agency established in 1913 and expanded by the Banking Act of 1935 authorized to set monetary policies and to ensure banking compliance.

**fiduciary** A person or firm holding assets for another party with the authority and duty to make decisions in the best interests of that other party.

**fixed asset** Tangible assets which are held long-term such as buildings and equipment, that are used in the operations of a business rather than held for sale.

**fixed-rate mortgage** Typically, a 15- or 30-year mortgage in which the interest rate is fixed during the set term. The monthly principal and interest payment will remain the same during the term of the mortgage.

**flip** To sell a stock on its first day of trading, or to hold real estate for a very short period of time before selling

**float** The total number of outstanding shares available for trading by the public.

**floating loan rate** A loan with a rate based on an external index of interest rates in the financial markets.

**foreclosure** The process by which the mortgage holder of a property recovers the property through the courts after the property owner is seriously delinquent and unable to redeem the mortgage and become current.

**foreign exchange** An instrument such as currency, notes, and checks, used to make payments between countries.

**Forex** An over-the-counter market where buyers and sellers conduct foreign exchange transactions.

**forfeiture** A loss of money, property or privileges due to a breach in contract.

**full-service broker** A brokerage firm that offers extensive investment advice and research to its clients.

**fund** A pooling of money to be invested.

**fundamentals** Inherent factors of a company, including earnings, cash flow, balance sheet, and overall condition of the company's industry.

**funding** The raising of money to launch or expand a business.

**futures** An obligation to buy or sell an asset on a specific date at a set price.

**gap up (or down)** A sharp and sudden increase (or decrease) in the price of a security in which there is literally a gap between the latest data point on a price chart and the previous data point.

**going public** The process of preparing for an initial public offering.

**good 'til canceled (GTC)** An order to buy or sell a security that stays in effect until executed or cancelled by the investor.

**growth stock** A stock having earnings growth at an above-average rate.

**guidance** An effort by companies to provide analysts with sufficient information to create revenue and earnings projections.

**head and shoulders** A chart formation characterized by three rallies, the second one reaching the highest point, and viewed by technical analysts as a very bearish indicator (or bullish if inverted).

**hedge fund** A private investment partnership limited to 99 high net-worth or institutional investors, taking long and short positions and using leverage.

**hedging** A strategy to reduce or eliminate investment risk.

**illiquid** An inability to easily convert into cash.

**income** Regular earnings, generally from corporate dividends and interest on bonds.

**income statement (profit and loss statement)** One of several company's financial statements which provides a summary of revenues and expenses over a period of time.

**index** A measure of a group of stocks, often the sum of the weighted value of each stock in that group.

**index fund** A mutual fund that holds all or nearly all stocks in a standard market benchmark.

**industry** Also called a sector, a category that describes a company's primary business activity and identifies its competitors.

**inflation** An increase in the cost of goods and services, which results in a loss of purchasing power for any given constant amount of money.

**initial public offering (IPO)** Securities issued by a company and initially offered for sale to the public through a broker.

**insider** A person close to a company who may have access to material, nonpublic information.

**insider trading** Buying or selling of a company's stock by that company's management, board of directors or persons holding more than 10% of a company's shares.

**institutional investor** Organizations such as mutual funds, pension funds, and insurance companies that trade in large volumes of securities.

**investment** Property acquired and held for future income or appreciation.

**investment banker** A professional who engages attorneys, accountants, and market specialists to arrange for public sale of a company's stock.

**investment club** A group of amateur investors who pool their assets together to jointly buy and sell securities.

**investment grade bond** A bond rated AAA by Standard & Poor's or Aaa by Moody's considered of high quality having little risk.

**investment property** Property acquired for the purpose of income accumulation and/or appreciation.

**junk bonds** Bonds considered speculative which generally offer higher yields and are higher-risk than bonds with investmentgrade ratings.

**large cap** A company with a total market capitalization of over \$5 billion.

**lessee** A person or corporation that rents an asset from another person or corporation.

**lessor** A person or corporation that rents an asset to another person or corporation.

**letter of credit** A document issued by a bank which guarantees the payment of a customer's draft up to a specific amount and time period.

**letter of intent** A nonbinding letter from one company to another acknowledging a willingness and ability to enter into a deal.

**liability** Any kind of debt, from bank debt to money a business owes to suppliers to refunds it owes customers.

**lien** A legal claim against a property to secure payment for monies owed.

**limit order** A market order to buy at a given price or lower, or an order to sell at a given price or higher.

**line of credit** An open-ended arrangement for a company to borrow and repay debt at its discretion, subject only to a maximum limit.

**liquidation** The act of closing down a business, including the sale of its assets.

**liquidity** The ease by which an asset can be converted into cash without losing its value.

**load** This is a sales charge for owning a mutual fund, usually totaling 3 to 5 percent of the amount invested.

**long position** The total value of one of an investor's stock holdings.

**margin** Partial payment for a security involving full ownership rights and risks with the balance financed typically by a brokerage.

**margin account** A brokerage account that allows a person to borrow funds to purchase securities.

**margin call** Demand for additional funds in a margin account to meet or re-meet minimum maintenance requirements.

**market order** An order to buy or sell a stock immediately at the best available current price, which guarantees execution but not necessarily at a predetermined price.

**market price** The latest price at which a security has been bought or sold.

**market value** The highest price that a buyer would pay and the lowest price a seller would accept on an asset.

**mortgage backed securities (MBS)** Securities which are created out of a defined pool of real estate mortgages and issued by the GNMA, the FHLMC or the FNMA with investors receiving periodic payments consisting of both principal and interest.

**mortgage broker** A person or firm who helps home buyers or owners find an appropriate mortgage. A fee or commission is charged for this service.

**most actives** A listing of the most actively traded stock by stock exchange during a given time period. Often these are the most highly capitalized mega-stocks owned by many people, such as Microsoft and Cisco.

**moving average** The average of all the market prices for a security drawn from a progressing block of time.

**multi-level marketing or MLM** A company that grows by enlisting the help of individuals who add customers and employees and are compensated depending upon how much they add to the company

**mutual fund** A group of securities managed by an investment company that sells shares to individual investors.

**NASDAQ** Also called the National Association of Securities Dealers Automated Quotation System, a NASD-owned computerized system which tracks price quotations, and facilitates trades for over-the-counter stocks.

**net income** The company's total earnings based on revenues minus cost of goods, depreciation, interest, taxes and other expenses.

**net worth** Total assets minus total liabilities.

**Nikkei** The index tracking 225 leading stocks traded on the Tokyo Stock Exchange.

**no-load fund** A mutual fund in which no sales fee is charged to purchase shares.

**NYSE** New York Stock Exchange.

**NYSE Composite Index** An index which tracks the change in market value of all common stocks traded on the New York Stock Exchange. The NYSE also provides indexes on four sectors: industrials, utilities, transportation, and finance.

**open interest** The number of outstanding option contracts in a market or particular class or series.

**options** Financial instruments which give the owner the right to buy (as with calls) or sell (as with puts) a security on a future date at a fixed price.

**passive investing** An investment strategy requiring little effort by investing in an index fund simply to stay even with the overall market.

**penny stocks** Stocks that trade for less than \$1 per share.

**pink sheet stock** An over-the-counter stock (OTC) that is publicly-traded without full disclosure of its financials to the public.

**portfolio** A collection of assets (generally stocks and bonds) owned by a person or company.

**portfolio allocation** Spreading investments over different asset classes to reduce overall risk.

**premium** The price of an option contract.

**price-earnings ratio (PE)** Also referred to as a 'multiple,' a value calculated by dividing the price of the stock by the earnings per share and commonly used to compare against companies in the same sector.

**price-sales ratio** A value calculated by dividing the price of the stock by the revenue per share and commonly used to compare against companies in the same sector.

**price-to-book value ratio** A value calculated by dividing the price of the stock by the assets per share.

**prime rate** The base rate used on high-grade corporate loans by major rates, serving as an index for many types of loans.

**principal** The total amount of money invested in a stock, bond or other type of investment.

**private mortgage insurance (PMI)** Insurance required if the down payment on a home is less than 20 percent.

**put** An option that gives the owner the right to sell the security at the exercise price.

**put-call ratio** A ratio of the volume of put options traded to the volume of call options traded.

**pyramid scheme** A type of investment fraud that requires an endless cycle of recruits who give money to the recruiter.

**QQQ** a unit that tracks the Nasdaq 100 Index and is traded on the American Stock Exchange.

**real-time quotes** Stock quotes that reflect the latest market data.

**relative strength** A stock's price movement compared to the movement of a market index, such as the S&P 500.

**repurchase** An action taken by a company to buy back its own shares in the open market, thereby reducing the number of shares outstanding and increasing earnings per share.

**resistance level** Real or artificial price ceiling in technical analysis that when overcome signify a new upward trading trend.

**return on asset (ROA)** Net income minus preferred stock dividends divided by average total assets.

**return on equity (ROE)** Net income divided by average total common equity, which is higher than the ROA if debt is leveraged effectively.

**return on investment (ROI)** The percentage of profit made on an investment.

**revenue** The total amount of money generated by a business for products and services sold to customers.

**risk** The likelihood that an investment will lose money.

**risk-reward ratio** A measure of an investment's ability to generate high returns versus the possibility of losing money on the investment.

**Rule of 72** A mathematic shortcut used to approximate the number of years to double one's money simply by dividing 72 by the annual interest rate.

**Russell 2000** A stock market index which tracks the performance of the smallest 2000 US company stocks in the Russell 3000.

**Russell 3000** A stock market index which tracks the performance of 3000 largest US company stocks in various industries.

**secondary mortgage market** A network of investors willing to purchase mortgage loans originated by mortgage bankers.

**secondary offering** Public sale of previously issued securities held by large investors, institutions or affiliated persons.

**sector** A distinct subset of a market , society, industry , or economy , whose components share similar characteristics. Stocks are often grouped into different sectors depending upon the company's business. Standard & Poor's breaks the market into 11 sectors. Utilities and consumer staples, are considered defensive sectors, while the rest ( transportation, technology, health care, financial , energy, consumer cyclicals, basic materials, capital goods , and communications services) are generally more cyclical in nature.

**selling short** A method of investing by borrowing rather than buying stocks in hopes of purchasing the stock at a later date at a lower price.

**shareholders' equity** Total assets minus total liabilities of a company.

**small cap** A company with a total market capitalization of less than \$1 billion.

**Standard and Poors 500 Index (S&P 500)** A stock market index of 500 mostly large company stocks used to reflect the market as a whole.

**Standard and Poors Depositary Receipt (SPDR)** Also called a Spider or Spyder, a UIT that tracks the S&P 500 trading as SPY on the American Stock Exchange.

**stock screener** A research tool used to filter and identify stocks based on criteria, such as market capitalization, price, volatility, and P/E ratios. Vector Vest and IBD's Daily Graphs Online are two examples.

**stock split** An increase in the number of shares and a proportionate decrease in the price per share which effectively maintains the market capitalization of a security.

**stop buy order** An order to buy a stock if the price rises to a certain level, typically to limit the potential loss of a short sell.

**stop loss order** An order to sell a stock if the price falls to a certain level, in order to protect an investor from further losses.

**streaming quotes** A software application that displays stock quotes updated in real-time to convey the progression of actual transactions. Many online brokers offer streaming quotes

**strike price** Also called the exercise price, the price at which an option executes on a future date.

**support level** Real or artificial price floor in technical analysis that either represents the inflection point for an upward trading trend or if broken a new downward trading trend. These are projected using moving averages or fibonacci arcs or triangles.

**sweat equity** The value of ownership assigned to a borrower or earned by an employee for work performed on an asset, typically without cash compensation.

**tick** A movement in price, either upward or downward.

**title** A document that shows the evidence of a right to, or ownership in, a property.

**title insurance** A closing cost to cover legal fees and expenses necessary to defend the title against claims made against ownership of a property.

**trading range** The difference between the high and low prices traded during a period of time.

**Treasury bills (T-bills)** Short term government bonds with maturities of one year or less.

**Treasury bonds** Long term government bonds with maturities of 10 years or more.

**trust** A legal agreement created to control the distribution of assets for the benefit of one or more parties, including the surviving spouse, children, or charities.

**underlying security** The security that can be bought or sold upon exercising an options contract.

**undervalued** The state of a security being unjustifiably priced too low, usually when viewed through price/earnings ratios.

**unit investment trust (UIT)** A collection of securities, similar to a mutual fund, traded on an exchange, such as SPDR.

**upline** The direct line through which one has joined an MLM. This is one's ancestors in an MLM

**uptick** An increase in the price of a security in the latest sale compared to the previous sale.

**usury** Charging more than the maximum legally permitted rate of interest.

**venture capital (VC)** A type of funding source that invests into start-up businesses.

**venture fund** A fund set up for the expressed purpose of investing into start-up businesses.

**viatical settlement** A payoff in advance to terminally-ill life insurance policyholders at a fraction of the policy's face value.

**volatility** A measure of the fluctuations of a stock price over time.

**Volcker, Paul A.** Chairman of the Board of Governors of the Federal Reserve System from 1979 to 1987.

**volume** The number of shares traded during a specific period, usually in thousands.

**watch list** A list of securities being monitored particularly closely by a brokerage or investor.

**Wilshire 5000** The largest market index which includes almost all publicly traded stocks.

**wraparound mortgage** A way of financing where the existing loan of the seller remains intact. The buyer makes payments to a wraparound noteholder that in turn pays the existing mortgage.

**writer** The seller of an option contract.

## Appendix: Our Story

Ezekiel 16:8 *“Now when I passed by thee, and looked upon thee, behold, thy time [was] the time of love;”*

I hope you find our stories interesting. We do. But then, most people find the home videos of their own vacation interesting too. Don and I have both had the painful realization that church is not always the safest of places, and that “Christians” (those who call themselves so) aren’t always the safest of people. This story has a happy ending though, so enjoy!

### **Don’s story:**

Don’s dad graduated from dental school which he attended after his return from WWII. He and Don’s mom both grew up in Ohio, and they thought of settling in the small Ohio town of Findlay. Instead, they moved to California. While on furlough from the US Navy Don’s dad had seen Yosemite, and in seeing it he knew that California was the place he wanted to spend his life.

Don’s parents were Christians, and his faith was enriched by many summers spent at the Christian camp where his mother worked as the camp physician. While a college student he became interested in some new age mysticism, and decided to sail to Hawaii with some new age friends. When about half of the way there they began to run out of supplies, and Don began to cry out to the Lord and recommitted himself to live as a Christian. He and the others were rescued by a freighter which Don rode the rest of the way to the islands. Once there, he honored his commitment and began to grow as a devoted Christian.

Don attended a seminary for a time in Hawaii, and his faith grew. He returned to California and while attending a home group study he met a young woman whose marriage with a drug abuser had come to an end when she made a firm commitment to live as a Christian. Some time later she baked a cake for Don’s birthday and brought it to a Bible study at a new church they had both begun to attend. From that point they began to date and eventually married.

A difficult childhood had left Don's first wife quite wounded emotionally. Don believed that warmth and understanding would help her soften and find healing, but that was not to be. Her insecurities drove her to desire to always be in control. A son was born to them and Don extended grace to her in the hopes that with time she would develop trust in him and recognize his leadership of their family. When time passed and she became more controlling rather than less controlling Don sought pastoral counsel. Their pastor suggested that he take a firm leadership stance, set an agenda for his family and let her know that he was determined to follow through.

Within a short period of time she falsely charged him with violent behavior and had him removed from their home. In the days, weeks and months that followed Don found himself in a desperate custody battle for the opportunity to continue with regular visits with his son.

Looking with hope toward a new beginning and a brighter future, Don became very engaged with one of his church's homegroups, and found great prayer support. He began to think of moving into another relationship and enrolled in the Friendship Directory at Cross Daily.

### **Cindy's story:**

Because my dad was stationed in Fort Ord in California at the time I was due to be born, my mother lived with him on the west coast for a few months. A short time after my birth she returned to her home in Ohio and when my dad finished his tour of duty he returned to Ohio, where we lived about thirty miles from the town of Findlay.

In the autumn of 1991 I had been happily married to George Henry for fifteen years. We had three very loveable children, a nice house, and were a part of a church to which we had been deeply devoted since before our marriage. George was the leader of the prophetic group at our church, and was being considered for a place on the board of elders. We lived in a university community, and great value was attached to intellectual prowess. Instead of George a professor with a PhD was named elder.

George had suffered other disappointments with church and close Christian friends. A couple of weeks after the ceremony to set in the professor as elder, George suffered a grand mal seizure on our family room floor. When the ambulance responding to my 911 call arrived at the hospital scans were done and we learned that George had a

brain tumor which turned out to be sinus cancer. Through agonizing surgery and painful radiation treatments he lived for nearly a year.

The last check George wrote was to pay his monthly life insurance premium. Between that life insurance policy, a generous deferred compensation program where he worked, and Social Security, we were well enough provided for.

At the church we had attended I noticed more and more of a trend toward intellectualism and less desire for and recognition of spiritual gifting. Some of my old friends from our now-defunct prophetic group began to leave the church (as I write none of them remain), and eventually I myself left. I had some knowledge that had potential to impact reputations of influential people, and soon found my own reputation soiled by nasty rumors. I learned why the Lord asked His people to show kindness to widows: for the most part they can't defend themselves. At least I found I couldn't. Christian friends I had known from junior high days doubted my integrity. Rick Joyner in *The Final Quest* has written that in his vision of the 'hordes of hell,' the demonic armies march under banners, two of which are self-righteousness and respectability. Suddenly I lost my respectability and became persona non grata.

For a time I withdrew from church life. I was afraid that in our small town my reputation would precede me. Actually I was afraid that people at the old church would tell their stories about me before I could tell my stories about them—which I had no intention of doing. Finally the pastor of the old church was forced to step down following a sex scandal, and I felt free to participate in another church, since the credibility of that group of people had been diminished.

I became a part of a noontime prayer meeting where I found much healing and opportunity to grow in intercession. But I had no desire to date, and was OK with the prospect of never being married again.

Then in the spring of 2001 on a whim I posted my profile on Cross Daily's Christian Friendship Directory.

## **Our Story**

I saw Don's profile before he saw mine, and I initiated an email exchange with him. In reading his profile I noticed he was the same MBTI type as my brother, with whom I have always gotten along famously. I also noticed we shared many favorite books and movies.

In May we exchanged a few emails, then I left for two weeks at the beach where I didn't check my email. I was interested in the relationship but I had become so reconciled to the thought of a perpetually single life that I wasn't expecting something else.

On our way home from the beach we made a side visit to Mahesh and Bonnie Chavda's church in Charlotte. We had heard Mahesh speak several times before, and I had attended the Daughters of the Lion conference the preceding winter. While we were there for Sunday worship two of my children and I went forward for prayer. One of the words spoken over me was that I had poured myself into my children but that they didn't need me that way anymore, that it was a new day for me and I needed to learn how to walk in it. They spoke a word of release over me, and I had a sense that I was released not only from an intense ministry to my children, but also from burdens I had carried for the church I had attended, and for old friends. So when I returned home I was prepared for a change in my life. At every turn in my life I have been overwhelmed by the kindness of the Lord.

Up to that point we had exchanged emails through the Friendship directory but we exchanged email addresses and began to write one another a few times a day. Soon we also began live chat on Yahoo, and even played some games—he would trounce me in Go games.

In July Don recommended that I read *People of the Lie*, by M. Scott Peck, a Christian psychiatrist, which I did. He wanted me to read it so I could better understand his experiences with his ex-wife, but in reading the book I was powerfully moved as I recognized people with similar characteristics to those in people I had encountered in my own life.

Right around that time I sensed the Lord speak to me that Don and I were going to be together. Of course I kept that to myself.

We decided to meet in Kansas City at the International House of Prayer around the time of the Jewish autumn holidays. We fasted together for a couple of days, then we broke our fast by taking communion in a lovely park setting. Then he asked me to marry him. Wow. Of course I said yes. He returned with me to Ohio and met my children and family. We arrived just in time to see my son's football game, and it turned out to be the first game the team had won that year. It was a very special time.

Over the next few months we saw each other several times, and planned our wedding for the following August. We married in the chapel on the campus of Bowling Green State University, a university in a town just a few miles from my home, and the college from which Don's dad had received his Bachelor's Degree. Following a honeymoon trip to the East Coast, I moved to Don's home in California with my two youngest children, where we have all experienced an increase of God's Kingdom in our lives, with great joy.

Don incurred some debt in the process of his divorce and custody battle, and we are working to redeem that, and to catch up with maintenance needed on a rental home in Ohio, where I lived with my children until the California move. We are grateful for the opportunity to have first-hand experience with a difficult financial situation, and have had the belief that, with David, we will see “...*The goodness of the Lord in the land of the living...*”

Don and I spent some years as a part of a ministry plant in the SF Bay Area called Connect (<http://www.connectministries.org>.) whose principals moved to Kansas City, and are now joined to Calvary Community Church in our home town of Benicia. In the last few years we have been intently studying investing and completed *Intentional Investing* which outlines investing principles for Christians, and have begun a corporation (<http://www.sand2pirls.com>) as a home for our investing. We believe the Lord has given us a vision for peer-to-peer sharing meetings and training seminars that will help introduce Christians to investing principles, and examine Jesus' great body of teaching pertaining to finances.

Don's investing website is <http://www.s2pmarketsignal.com>, and my real estate lending website is <http://www.cynthiapirllendingprofessional.com>.

## Appendix B Daily Devotional

These ideas from Scripture have helped Don and me in gaining understanding and acceptance of God's purposes for our lives. You may want to gather some of your own, that encourage you in your specific situation. I John 4: 18 tells us that "...Perfect love casts out all fear..." Whatever fears tend to distract you, whatever negative thoughts tend to weigh on you, if you search the Scripture you can find encouragement, and, like Jesus in the passage in Matthew 4, when temptation to disbelieve the Lord comes, you can say "It is written," quote the Bible verse appropriate for your situation, and be strengthened in your faith and in your resolve to obey the Lord.

**Day One: Address strongholds.** *II Corinthians 10:3 For though we walk in the flesh, we do not war after the flesh: (For the weapons of our warfare [are] not carnal, but mighty through God to the pulling down of strong holds;) Casting down imaginations, and every high thing that exalteth itself against the knowledge of God, and bringing into captivity every thought to the obedience of Christ; And having in a readiness to revenge all disobedience, when your obedience is fulfilled.*

A stronghold is a mindset or way of thinking that is founded on erroneous assumptions. We may have all manner of strongholds that enter our lives through family, education, friends or any mentors. These strongholds sometimes are in opposition to God's purposes and often interfere with our faith in Scripture. We have the authority and ability to take our own thoughts captive to the obedience of Christ—which is the authority of Scripture—and thereby yield ourselves to God's process of renewing our minds as in Romans 12: 2.

**Day Two: Release of Forgiveness.** *Matthew 6:14-15 For if ye forgive men their trespasses, your heavenly Father will also forgive you: But if ye forgive not men their trespasses, neither will your Father forgive your trespasses.*

*Romans 12:17-21 Recompense to no man evil for evil. Provide things honest in the sight of all men. If it be possible, as much as lieth in you, live peaceably with all men. Dearly beloved, avenge not yourselves, but [rather] give place unto wrath: for it is written, Vengeance [is] mine; I will repay, saith the Lord. Therefore if thine enemy hunger, feed him; if he thirst, give him drink: for in so doing thou shalt heap coals of fire on his head. Be not overcome of evil, but overcome evil with good.*

Unforgiveness can be a dam which holds back blessing, not necessarily from those whom we have not forgiven, but from us. Remove the dam by forgiving freely.

**Day Three Examine family attitudes toward wealth.** *Romans 12:2 And be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what [is] that good, and acceptable, and perfect, will of God.*

Did your family believe wealthy people are evil? Did they hate labor unions? Did they blame their less-than-ideal situations on big corporations? Any sort of self-pity, hatred, fear or strongly-held but ill-considered opinions may have erected strongholds that will hinder God's blessing. Why keep them? Ask the Lord to show you where your attitudes toward wealth do not match His Word, and be willing and ready to repent.

**Day Four: Repentance from occult ties.** *Romans 18:9-13 When thou art come into the land which the LORD thy God giveth thee, thou shalt not learn to do after the abominations of those nations. There shall not be found among you [any one] that maketh his son or his daughter to pass through the fire, [or] that useth divination, [or] an observer of times, or an enchanter, or a witch, Or a charmer, or a consulter with familiar spirits, or a wizard, or a necromancer. For all that do these things [are] an abomination unto the LORD: and because of these abominations the LORD thy God doth drive them out from before thee. Thou shalt be perfect with the LORD thy God.*

Any ties to the occult, through mediums, tarot cards, ouija boards, palm reading, spirit guides and others can be used by the enemy to gain access to our lives. Getting free is simple: confession, repentance and renouncing of any evil practices and/or associations.

**Day Five: Examination of family history.** *Nehemiah 9:1-3 Now in the twenty and fourth day of this month the children of Israel were assembled with fasting, and with sackclothes, and earth upon them. And the seed of Israel separated themselves from all strangers, and stood and confessed their sins, and the iniquities of their fathers. And they stood up in their place, and read in the book of the law of the LORD their God [one] fourth part of the day; and [another] fourth part they confessed, and worshipped the LORD their God.*

Things that have happened in our family can have an impact on us. Membership in secret brotherhoods/sisterhoods and other secret societies can sometimes be open doors for oppression and can be a hindrance in experiencing all the Lord has for us. We can find release by asking forgiveness for any such associations and/or associations our family members have had.

**Day Six: Overcoming: blood, word, loving not our lives.** *Revelation 12:10-11 And I heard a loud voice saying in heaven, Now is come salvation, and strength, and the kingdom of our God, and the power of his Christ: for the accuser of our brethren is cast down, which accused them before our God day and night. And they overcame him by the blood of the Lamb, and by the word of their testimony; and they loved not their lives unto the death.*

We meet with opposition in this fallen world. This passage tells how we overcome. People often quote that we overcome by the blood and testimony, but the last part, loving our lives unto death, is equally important. He who loses his life will find it. Jesus said in Matthew 19: 24 that it's easier for a camel to go through the eye of a needle than for a rich man to enter God's Kingdom. The Lord loves us more than He needs for us to serve in His Kingdom, and if a thing, like wealth, will tend to hinder our relationship with Him, He would rather we not have it. If we love not our lives even unto death, He will be able to entrust to us large things.

**Day Seven: Overcome fear.** *Psalms 27:1 The LORD [is] my light and my salvation; whom shall I fear? the LORD [is] the strength of my life; of whom shall I be afraid?*

David had the experience of having the Lord save him in desperate and dangerous situations, and the word of his testimony was that he didn't have to fear.

**Day Eight: Overcome laziness.** *Proverbs 22:13 The slothful [man] saith, [There is] a lion without, I shall be slain in the streets.*

Laziness and fear are somewhat related. A lazy man can convince himself that no matter what he does, things will not work out well for him. Self-pity may become involved here too, in becoming convinced that one's problems are worse than everyone else's, and that if other people had the same problems they wouldn't be able to do well either.

**Day Nine: Overcome great odds.** *Leviticus 26:3 If ye walk in my statutes, and keep my commandments, and do them; Then I will give you rain in due season, and the land shall yield her increase, and the trees of the field shall yield their fruit. And your threshing shall reach unto the vintage, and the vintage shall reach unto the sowing time: and ye shall eat your bread to the full, and dwell in your land safely. And I will give peace in the land, and ye shall lie down, and none shall make [you] afraid: and I will rid evil beasts out of the land, neither shall the sword go through your land. And ye shall chase your enemies, and they shall fall before you by the sword. And five of you shall chase an hundred, and an hundred of you shall put ten thousand to flight: and your enemies shall fall before you by the sword. For I will have respect unto you, and make you fruitful, and multiply you, and establish my covenant with you.*

‘Nuff said.

**Day Ten: Dream big dreams.** *Daniel 11:32 And such as do wickedly against the covenant shall be corrupt by flatteries: but the people that do know their God shall be strong, and do [exploits].*

Our God is in the miracle business. He is our Father, and, if we want, we may participate in the family business.

**Day Eleven: Overcoming poverty.** *Luke 6:38 Give, and it shall be given unto you; good measure, pressed down, and shaken together, and running over, shall men give into your bosom. For with the same measure that ye mete withal it shall be measured to you again.*

Rick Joyner has written that criticism of others who have wealth can be an open door through which a poverty spirit enters. A generous attitude that is happy to see others do well is a help in receiving blessing.

**Day Twelve: Tenderness & humility.** *Isaiah 57:15 For thus saith the high and lofty One that inhabiteth eternity, whose name [is] Holy; I dwell in the high and holy [place], with him also [that is] of a contrite and humble spirit, to revive the spirit of the humble, and to revive the heart of the contrite ones.*

*1 Peter 5:5 Likewise, ye younger, submit yourselves unto the elder. Yea, all [of you] be subject one to another, and be clothed with humility: for God resisteth the proud, and giveth grace to the humble.*

**Day Thirteen: Nothing can separate us from the Lord if we want to be near Him. Romans 8:31-39** *What shall we then say to these things? If God [be] for us, who [can be] against us? He that spared not his own Son, but delivered him up for us all, how shall he not with him also freely give us all things? Who shall lay any thing to the charge of God's elect? [It is] God that justifieth. Who [is] he that condemneth? [It is] Christ that died, yea rather, that is risen again, who is even at the right hand of God, who also maketh intercession for us. Who shall separate us from the love of Christ? [shall] tribulation, or distress, or persecution, or famine, or nakedness, or peril, or sword? As it is written, For thy sake we are killed all the day long; we are accounted as sheep for the slaughter. Nay, in all these things we are more than conquerors through him that loved us. For I am persuaded, that neither death, nor life, nor angels, nor principalities, nor powers, nor things present, nor things to come, Nor height, nor depth, nor any other creature, shall be able to separate us from the love of God, which is in Christ Jesus our Lord.*

*James 4:8 Draw nigh to God, and he will draw nigh to you. Cleanse [your] hands, [ye] sinners; and purify [your] hearts, [ye] double minded.*

**Day Fourteen: Let no one despise your youth. 1 Timothy 4:12** *Let no man despise thy youth; but be thou an example of the believers, in word, in conversation, in charity, in spirit, in faith, in purity.*

Inexperience and/or youth need not be a hindrance to God's purposes in one's life.

**Day Fifteen: Eat honey during the battle. 1 Samuel 14:24-30** *And the men of Israel were distressed that day: for Saul had adjured the people, saying, Cursed [be] the man that eateth [any] food until evening, that I may be avenged on mine enemies. So none of the people tasted [any] food. And all [they of] the land came to a wood; and there was honey upon the ground. And when the people were come into the wood, behold, the honey dropped; but no man put his hand to his mouth: for the people feared the oath. But Jonathan heard not when his father charged the people with the oath: wherefore he put forth the end of the rod that [was] in his hand, and dipped it in an honeycomb, and put his hand to his mouth; and his eyes were enlightened. Then answered one of the people, and said, Thy father straitly charged the people with an oath, saying, Cursed [be] the man that eateth [any] food this day. And the people were faint. Then said Jonathan, My father hath troubled the land: see, I pray you, how mine eyes have been enlightened, because I tasted a little of this honey. How much more, if haply the people had eaten*

*freely to day of the spoil of their enemies which they found? for had there not been now a much greater slaughter among the Philistines?*

*Psalms 23:5 Thou preparest a table before me in the presence of mine enemies: thou anointest my head with oil; my cup runneth over.*

When the Lord gives you rest in the midst of conflict, take it and be refreshed. As Nehemiah 8:10 says, “Eat the fat, and drink the sweet for the joy of the Lord is your strength.”

**Day Sixteen: Commit to giving.** *2 Corinthians 9:7 Every man according as he purposeth in his heart, [so let him give]; not grudgingly, or of necessity: for God loveth a cheerful giver.*

**Day Seventeen: Examine your attitude toward riches.** *Psalm 62:5-12 My soul, wait thou only upon God; for my expectation [is] from him. He only [is] my rock and my salvation: [he is] my defence; I shall not be moved. In God [is] my salvation and my glory: the rock of my strength, [and] my refuge, [is] in God. Trust in him at all times; [ye] people, pour out your heart before him: God [is] a refuge for us. Selah. Surely men of low degree [are] vanity, [and] men of high degree [are] a lie: to be laid in the balance, they [are] altogether [lighter] than vanity. Trust not in oppression, and become not vain in robbery: if riches increase, set not your heart [upon them]. God hath spoken once; twice have I heard this; that power [belongeth] unto God. Also unto thee, O Lord, [belongeth] mercy: for thou renderest to every man according to his work.*

**Day Eighteen: Repentance from unworthiness and religious efforts.** *Isaiah 64:6 But we are all as an unclean [thing], and all our righteousnesses [are] as filthy rags; and we all do fade as a leaf; and our iniquities, like the wind, have taken us away.*

*Isaiah 61:10 I will greatly rejoice in the LORD, my soul shall be joyful in my God; for he hath clothed me with the garments of salvation, he hath covered me with the robe of righteousness, as a bridegroom decketh [himself] with ornaments, and as a bride adorneth [herself] with her jewels.*

Our righteousness is sub-par. Why would we want to keep it instead of swapping it for Jesus' righteousness?

**Day Nineteen: The violent take the Kingdom.** *Matthew 11:12 And from the days of John the Baptist until now the kingdom of heaven suffereth violence, and the violent take it by force.*

Be willing to take action!

**Day Twenty: Commit to service.** *Mark 10:42-45 But Jesus called them [to him], and saith unto them, Ye know that they which are accounted to rule over the Gentiles exercise lordship over them; and their great ones exercise authority upon them. But so shall it not be among you: but whosoever will be great among you, shall be your minister: And whosoever of you will be the chiefest, shall be servant of all. For even the Son of man came not to be ministered unto, but to minister, and to give his life a ransom for many.*

**Day Twenty-One: Capture of a personal vision.** *Proverbs 29:18 Where [there is] no vision, the people perish: but he that keepeth the law, happy [is] he.*

Seek the Lord for a vision, then write it down, pray for it, believe for it, wait to see it come to fullness!



## Appendix C: Profit While Learning: Quick Start Tutorial

*Daniel 2:20 “Daniel said, “Let the name of God be blessed forever and ever, For wisdom and power belong to Him.”*

Wisdom comes from the Lord. His wisdom is not limited to any particular realm. All financial wisdom is His. He wants to share it with us. Isaiah 61:6 says *“But you will be called the priests of the LORD; You will be spoken of {as} ministers of our God. You will eat the wealth of nations , And in their riches you will boast.”* Enjoying the wealth of the nations is a part of His plan for us as His people.

Jesus spoke often of money. The parable in Matthew 25 tells a story of two servants who were commended by their master, and another servant who failed to receive commendation. More will be said in later chapters later of these three servants, as this parable represents the central idea of this book. The fact that the two servants who were commended by their master doubled the money given them by the master to invest is the most significant point of this Quick-Start chapter. Doubling investment money and even going beyond doubling it is not an outrageous idea. However, it *cannot be done* in a reasonable amount of time with *savings accounts*.

Jesus gave us some investment pointers in the parable in Matthew 25. One thing we learn is that a *savings account is about the lowest level of investing*, second only to burying your money under the porch. While a savings account is relatively safe, the returns just aren't that great. Over the years the returns from a savings account will barely keep pace with inflation.

The faithful servants in Matthew 25 doubled their initial investment. Jesus didn't mention a specific interval of time that had passed, but it wasn't a lifetime. *A solid investing strategy can lead to significant returns in reasonable amounts of time*. Such a strategy is not out of your reach or ability, even if you are beginning with limited capital.

Stock market investing is considered by some to be risky. Yet a solid strategy can prove to be a foundation for the building of large returns—even fortunes. If you can understand the following three principles you can become a commendable investor, even if you have little or no investing experience and even if you have had some very bad experiences with investing in the past.

**1) The first foundational principle of successful stock market investing is timing.** Three of four stocks follow the market trend. In other words, when the indexes are moving up most of the stocks move up with them. Stocks also follow the trend when the indexes are moving down. To trade successfully **it is essential that an investor know and follow the trend**, buying when stocks are moving up, and selling short to profit from downward movement when they are moving down—or for a less aggressive approach simply staying out of the market until there is a clear uptrend. Sand 2 Pirls Market Signal can help you identify the trend even if you are just beginning in investing.

**2) The second principle of profitable investing is an understanding of the laws of probability and applying money management principles that will lead to profit.** If 49% of your trades were to lose money and 51% of your trades were to make money **you would profit unless** you had used up all your money on losses without **setting some aside for the times you would show gains**. Even given those odds of profiting 51% of the time, several trades in a row might be losers, which could wipe an investor out—or lead to so much discouragement that a come-back would be difficult. Sand 2 Pirls Market Signal historically has a good safety record with a maximum draw-down of 14%, which is a significant help in limiting even unavoidable losses. But investing only part of one's available funds in any one trade is still an important part of a successful investing strategy.

**3) The third foundation stone of investing is choosing the security to trade.** There are various services that can help with this. I have found that one of the easiest is the daily newspaper Investors Business Daily and their online services. Or an index security such as QQQs, a trade-able security that is based upon the movement of the NASDAQ Index, could be considered, provided the timing is right. Qs can be traded, as can SPY or Spydys (based on the Standard and Poors index) and other index-based securities. Trading market indexes using a tried and true market timing signal (a Google search will yield many possibilities) as a timing instrument is a reasonable and conservative approach to trading for beginning investors and for those who don't want to spend a lot of time researching stocks.

A quick-start strategy for investing for commendable returns is to 1) establish a brokerage account, 2) trade stock indexes like QQQ, SPY or others (or a combination) using a tested market timing signal which helps identify optimal times to enter and exit stock positions, and 3) applying money management principles by investing only a

portion of available capital at any one time and in any one trade.

We pray that your understanding and investment wisdom will be greatly increased, and that you find a tension between failures that challenge your hope and successes that tend to make you overconfident. Great investment wisdom can be found in the tension between the two. As with all new endeavors, there is a learning curve in investing. Depending on how deeply you wish to delve, the curve can be rather steep. If you can apply these simple principles, holding steady, **you can profit while learning.**

There is no time like the present to become an investor like the faithful servants in Matthew 25 who were told “Enter into the joy of your Master,” or, as paraphrased in The Message, “Come and be my partner.”

We do invite you to peruse our website and compare the stats of our signal with some others. New subscribers to <http://www.s2pmarketsignal.com> who send an email to [info@s2pmarketsignal.com](mailto:info@s2pmarketsignal.com) and mention Intentional Investing receive the first two weeks free, and those who donate 15% or more of their investing proceeds may subscribe free of charge.

## Appendix D, Understanding Credit Card Debt and Its Cycle of Fear and Shame

As I write this appendix it is March 2006 and Don and I are following a recently released Chuck Pierce prayer focus. One thing Chuck emphasized for this time is laughing at our enemies in the fashion of Psalm 2, of which I would like to remind you.

*Why do the nations rage, and the peoples meditate on a vain thing?*

*The kings of the earth set themselves, and the rulers plot together, against Jehovah and against His anointed, saying Let us break their bands in two and cast away their cords from us. He who sits In the heavens shall laugh; Jehovah shall mock at them.*

*Then He shall speak to them in His anger, and trouble them in His wrath.*

*Yea, I have set My king on My holy hill, on Zion .*

*I will declare the decree of Jehovah. He has said to Me, You are My Son; today I have begotten You .*

*Ask of Me , and I shall give the nations for Your inheritance; and the uttermost parts of the earth for Your possession.*

*You shall break them with a rod of iron; You shall dash them in pieces like a potter's vessel.*

*And now be wise, O kings; be instructed, O judges of the earth.*

*Serve Jehovah with fear, and rejoice with trembling.*

*Kiss the Son, lest He be angry, and you perish from the way, when His wrath is kindled in but a little time. Blessed are all who put their trust in Him.*

I am myself wrestling with these issues at this time, and in my place of difficulty I would like to share some thoughts about what seems to bring me release. I find encouragement in much of what I am going to write. Here's a bit of good news: we can direct our thoughts, and by doing so we can influence the direction of our lives. This thought of laughter can give us momentum as we move toward freedom and blessing.

Why does God laugh, and why can we laugh with him? On an old Derek Prince tape Derek characterized God's laughter as being not so much about humor, but about victory. God can laugh because He wins all battles. In Psalm 2 everybody is cocky, everybody is confident. They are sure they can cast off God's authority and do what they like.

This is the world system. The wealthy, those with power, those with political influence may sometimes take

themselves so seriously that they begin to believe that they can cast off the restraints implicit in God's authority (somebody else is God). In our foolish moments, when we feel the pride of life regarding how well we do something, how bright our kids are, or what a lovely home we live in, we may begin to feel this independence too, as if just in case the Lord doesn't want us to succeed, we may be able to do it on our own. We might as well laugh at ourselves if we have that thought.

But the Lord does want us to succeed. He simply doesn't want for us to lose our souls in the process. Remember what Jesus said in Mark 8: 36:

*For what shall it profit a man if he shall gain the whole world and lose his own soul?*

If the Lord (or any sensible person) were to choose for us between gaining the world and losing our souls in the process, and barely getting by in life thereby entering the Kingdom which would be the choice?

Like Joseph betrayed into Egypt and spending years in prison, like David hiding from Saul in caves, like Job, waiting with his critical friends to experience God's blessing once more, we often must go through a refining process, so the Lord can reveal His glory through us without it destroying us.

The great offer to the faithfully investing servants Jesus spoke of in Matthew 25 and Luke 19 was to "...Come and be my partner..." At a certain point, if we hang on tightly to the Lord over all the bumps and jolts in the road, we will begin to see ourselves as His partners. Then we can laugh with Him.

Can you laugh a little at the woman who accused Joseph of rape and vengefully caused him to be thrown in prison? Can you laugh at Joseph's brothers who thought that by humiliating him they could take away the treasure he knew he carried in his heart? Can you laugh at the enemy's attempt to place a wedge between Job and God? Can you laugh at the threats of Goliath?

If God has indeed called you to achieve increase in finances, to understand and apply investing principles, to serve a few loaves and fish to a needy crowd of thousands and gather several baskets of leftovers—which is not unreasonable, since Jesus told us as His disciples that we would do greater miracles than He did—then you can laugh at any threat of lack, can you not? You can laugh at the devil's attempt to keep you frightened of the future,

under a yoke of debt and shame: a yoke which is not easy and a burden which is not light. Jesus told us in Matthew 11:30 that His yoke which we would wear would be easy, and the burden He would give us to carry would be light.

I may have shared this in another place, but it bears repeating. Once I was on a boat with some friends. The noise of the motor prevented us from talking much. As I looked up at the beautiful clouds the Lord suddenly spoke to me by His Holy Spirit: "What many people think of as trials I mean for adventure."

What is the difference between a trial and an adventure? For us, in the Lord, I think the difference is in our attitude, and can be summed up in one word: trust. Well, perhaps two words, trust and faith. If we really, truly believe that the Lord is all-powerful, all-knowing, and that He loves us completely and unreservedly, is there anything that can truly threaten us? Paul wrote in Romans 8 that he was persuaded that nothing could separate us from the love of God in Jesus. If a fear of being separated from His love is rendered powerless, can we live in bold confidence of His love? Can we then laugh at the things that try to separate us from His love?

Here is something to think about. I John 4:8 tells us that God is love. I John 4:18 tells us that there is no fear in love. There is no fear in God. He always laughs at His enemies. He always knows that every outcome of every situation will find Him Victor, and His purposes accomplished. Jesus is seated at His right hand, and we are there with him (Ephesians 1 and 2).

People can be snared by various things. We can become ill and develop self-pity, or suffer pain and become bitter. We can partake of some sin and become obsessed. We can experience trauma, then spend years of our lives in fear that the trauma will be repeated. We can enter a lifestyle that ensnares us in shame.

By all of these and more we can be trapped. How do these things become our trap, blocking the flow of God's life in us and through us to others? They become a trap to us because they hold our focus toward ourselves. We will find it difficult to love others and minister God's grace and miracle power if our vision is filled with ourselves.

In our society there is a tremendous stigma about credit card debt. Assuming much of this is destructive and is best avoided. However, there may be circumstances under which this happens. If we have been in this position how may we respond?

Shame facilitates a cycle of sin. If we feel shame we will likely not seek help from others when we may most need it.

Paul said we should owe no man anything but to love one another. But is debt a sin? When the widow whose sons were going to be sold to pay for her debt asked the prophet's help (see II Kings 4) Elisha didn't scold her or ask her for an account of how she spent enough to go into debt. Neither does God always want to lecture us about our debts, reminding us of favor. Redemption is a financial term. Elisha gave the woman a miraculous means to escape her debt.

If we allow it the world imposes upon us guilt and shame for things that are not necessarily sin. If our teeth aren't sparkling white, if our dog does not have a shiny coat, if our windows are dirty or our house smells like fish the morning after we have cooked fish, we are made to feel inferior: ashamed of our state, of who we are. This shame is propagated by marketing, moving upon us to manipulate us for profit.

Is profit evil? Of course not. That is the point of much of what I have written in this book, that prosperous business activity can be a Christian endeavor by which God's Kingdom is well served, and God's glory is revealed. But when profit is made upon the backs and hearts of others it becomes evil and serves evil purposes. The love of money is, after all, the root of all evil (I Tim. 6: 10).

The world and those in it are not our teachers toward right use of resources. The woman who anointed Jesus with the costly ointment in Mark 14 was held in disdain for her "waste" of something of value. Yet in truth there was no better use of the ointment than the one the woman chose. Sometimes a pleasant vacation can be a waste of resources. But sometimes it may be a moment frozen in time, with loved ones from whom we may be parted at some point. These memories will be among our eternal possessions, though our savings, and even our debt, are not eternal.

The world imposes shame on us about things which are not necessarily sins. If debt is an issue for you, you are in a financial pinch, and you have made some late payments, you are likely paying an interest rate that will require you to repay your debt many times over. If you are having trouble repaying your debt you will receive phone calls and letters, some of which are designed to induce shame. The Old Testament has many guidelines regarding how

a creditor may treat a debtor, and I don't think many credit card companies honor the spirit of those guidelines, in that they exact usurious interest rates (close to 30% in some cases), and seek to leave the debtor comfortless until the debt is paid (through constant phone calls, threats and disdain).

We may not expect that they will honor the Old Testament guidelines, because they are a part of the world system, not God's Kingdom. We must honor our commitments to repay. But we do not draw our identity from how the world system views us. Do you remember the words of Isaiah? Some people call good evil and evil good (see below). The world system calls debtors evil and creditors good, even when the behavior of each does not justify this. Even if you have debt and credit card companies are imposing upon you a judgment that you are evil and they are good, God's opinion or judgment may not agree.

Pay your debts! I am not justifying those who take on debt with no intention of repaying. This is theft. But if you are in debt because of some life crisis, if you have not willfully disobeyed and made foolish decisions (and even if you have but you have truly repented), the shame you may feel at having credit card debt is not from God, is not something He wants you to feel! This shame is designed by the enemy of your soul, and is a trap set to keep you where you are, financially, spiritually, relationally, and emotionally: frozen and impotent.

*Isa 5:18 Woe to those who draw iniquity with cords of vanity, and sin with cart ropes;*

*Isa 5:19 who say, Let Him hurry and hasten His work, so that we may see it; and let the purpose of the Holy One of Israel draw near and come, so that we may know!*

*Isa 5:20 Woe to those who call evil good and good evil; who put darkness for light and light for darkness; who put bitter for sweet and sweet for bitter!*

*Isa 5:21 Woe to those wise in their own eyes, and bright in their own sight!*

*Isa 5:22 Woe to those mighty to drink wine, and brave men to mix strong drink;*

*Isa 5:23 who justify the wicked for a bribe, and take away the righteousness of the righteous from him!*

*Isa 5:24 So, as the fire devours the stubble, and the flame burns up the chaff; their root shall be like rottenness, and their blossoms shall go up like dust, because they have cast away the Law of Jehovah of Hosts, and despised the Word of the Holy One of Israel.*

## **How credit works: FICO score explanation**

FICO scores were originally designed for consumer debt evaluation, and therefore looks primarily at revolving credit. This means that how you pay your utilities, your rent, and even your mortgage has little significance. What is significant is how you pay your credit card bills. Also, something to keep in mind is this: following the guidelines by which higher FICO scores are generated may not be the best way to handle credit, rather it is the way that best suits creditors.

There are 150 different scoring models, and several differing score cards made to fit differing situations. A behavior that would be highly scrutinized in the credit life of a person with generally poor credit might be completely overlooked in the credit life of a person with generally good credit. In FICO scoring the following weight is given various aspects of a credit life:

### **35% of score is payment history**

- Recency** This refers to how recent a late payment has been. The more time that has passed since a person was late in paying, the better

- Frequency** How often a person is late in paying is considered

- Severity** In other words, how late is the person in paying? [Ninety days is the worst.]

### **30% of score is balances on revolving credit**

- The ideal is 30% of limit, but anything below 50% is OK

- It's best to spread out obligations, and have something on each card

- To improve these ratios limits can be raised or balances paid down

And here are two important points to consider:

- 1) A HELOC below 50k shows as revolving credit, not a mortgage, so if you have a HELOC at the limit it will

negatively impact your score

2) An American Express card with no limit imposes the current month's balance as the credit limit, so if a borrower uses \$2000 in credit one month and \$10000 the next month, the credit shows as being far over-limit.

### **15% of score is credit history**

In other words, how long has credit been established? The best is 30 years, so never close accounts. New accounts are averaged out as to how old they are.

### **10% of score is type of credit**

Finance companies are the worst, such as a furniture store that offers "No payments for three years." These types of obligations also show as maxed out accounts, as the purchase amount will always be the same as the amount of credit extended.

### **10% of score is the number of inquiries**

The more inquiries, the more the score goes down.

If someone buying a house were to go out and purchase a new dining room set and a new TV at two different places, both 3 years no payment, the combination of inquiries, the balances at the limit, and the finance company debt can lower a FICO score as much as 200 points in just a few days.

A credit score has no memory of past success or failure, rather it is simply a snapshot in time.

### **Breaking the Cycle of Debt, Fear and Shame**

In the process of education toward my California Real Estate license I took a Real Estate Finance class where my instructor gave us some interesting information. She said that in many cases if people headed for foreclosure would only interact with the company holding the loan they could probably save their home. Shame and the ensuing depression freezes people. It is a yoke of bondage. This yoke is heavy, not the light and easy yoke the Lord has for us.

The enemy uses debt as a way of disabling us by making us feel that we are disqualified.

I don't have a "Ten Easy Steps" for getting out of debt and the accompanying shame. But in breaking the cycle of shame it is important to consider the following.

1) Where are we focused? Seek first the Kingdom according to Matthew 6: 33. Many things compete for your attention. Don't let the urgent displace the important in your life or in your thoughts. When things don't look good, laugh at your enemies who want to put you off the track. The devil's goal in our lives is to kill, steal and destroy. But Jesus came that we might have life, and that abundantly.

2) God has no lack of resources. Neither is He holding out on us. If we ask Him He will give us wisdom about the place in which we find ourselves, and how He wants us to respond to it (James 1: 5).

3) Believe what God says. The writer of Hebrews said "He who comes to God must believe that He is, and that He is a rewarder of those who diligently seek Him." Immerse yourself in God's promises to you, and in verses about God's care, God's love, God's mercy, God's goodness, and verses which reinforce us in this focus, such as Philippians 4: 8.

4) Get out according to His plan. There was a plan for the widow whose sons were going to be sold to pay her debts, and God will devise a plan for you. Jesus said He only did what He saw the Father doing. Watch the Father, see what He is doing, and do that. Remember that the anointing destroys the yoke (Isaiah 10: 27 ). We can struggle all we want and still be stuck. It's not by might or by power that large things are moved, but by the Spirit of the Lord (Zechariah 4: 6).

The Lord has given me a beautiful picture of His deliverance. In the film *The African Queen* the characters pull a boat through mud trying to reach the point where the river they are on enters a lake. Desperately tired, they fall to the floor of the boat to sleep, and to wait to die. Rosie, the woman on board, prays that when they come to the Judgment Seat they will be judged not for their weakness, but for their love, then falls asleep. As they sleep there is a rainstorm upstream, and the boat is lifted up over the mud, onto the open water of the lake.

When we do all we can and reach the end of ourselves, sometimes despairing of life itself, the Lord may accomplish by His Spirit what we have failed to accomplish.

5) If you're out serving you won't be at home worrying. Conversely, if you're at home worrying you won't be out serving. I once read the book *Healed of Cancer* by Dodie Osteen. It's a lovely little book, and I recommend it to anyone who is seeking healing. One of the things I particularly remember she wrote is that those who are seeking healing should get out and pray for others.

If we become isolated at home it may be easier for the enemy to persuade us that he can impose his agenda for our lives. Much of this battle will be fought in our mind. Don't let shame prevent you from asking for prayer, or from talking frankly to the Lord about what you are experiencing and feeling. Being with Christian friends, hearing and speaking the truth of God's word, will tend to move us toward faith. Sharing the burdens of others and allowing them to share our burdens will also be of help to us and to them. This is Christian community.

I would like to draw some thoughts from a story in II Kings of a seemingly hopeless battle in which the Lord brought great victory. I've included the text of the story which, though a bit long, is dramatically encouraging:

*II Kings 18:1-19:37*

*Now it came to pass in the third year of Hoshea son of Elah king of Israel, [that] Hezekiah the son of Ahaz king of Judah began to reign. Twenty and five years old was he when he began to reign; and he reigned twenty and nine years in Jerusalem. His mother's name also [was] Abi, the daughter of Zachariah. And he did [that which was] right in the sight of the LORD, according to all that David his father did. He removed the high places, and brake the images, and cut down the groves, and brake in pieces the brasen serpent that Moses had made: for unto those days the children of Israel did burn incense to it: and he called it Nehushtan. He trusted in the LORD God of Israel; so that after him was none like him among all the kings of Judah, nor [any] that were before him. For he clave to the LORD, [and] departed not from following him, but kept his commandments, which the LORD commanded Moses.*

*And the LORD was with him; [and] he prospered whithersoever he went forth: and he rebelled against the king of Assyria, and served him not. He smote the Philistines, [even] unto Gaza, and the borders thereof, from the tower of the watchmen to the fenced city.*

*And it came to pass in the fourth year of king Hezekiah, which [was] the seventh year of Hoshea son of Elah king of Israel, [that] Shalmaneser king of Assyria came up against Samaria, and besieged it. And at the end of three years they took it: [even] in the sixth year of Hezekiah, that [is] the ninth year of Hoshea king of Israel, Samaria was taken. And the king of Assyria did carry away Israel unto Assyria, and put them in Halah and in Habor [by] the river of Gozan, and in the cities of the Medes: Because they obeyed not the voice of the LORD their God, but transgressed his covenant, [and] all that Moses the servant of the LORD commanded, and would not hear [them], nor do [them].*

*Now in the fourteenth year of king Hezekiah did Sennacherib king of Assyria come up against all the fenced cities of Judah, and took them. And Hezekiah king of Judah sent to the king of Assyria to Lachish, saying, I have offended; return from me: that which thou puttest on me will I bear. And the king of Assyria appointed unto Hezekiah king of Judah three hundred talents of silver and thirty talents of gold. And Hezekiah gave [him] all the silver that was found in the house of the LORD, and in the treasures of the king's house. At that time did Hezekiah cut off [the gold from] the doors of the temple of the LORD, and [from] the pillars which Hezekiah king of Judah had overlaid, and gave it to the king of Assyria.*

*And the king of Assyria sent Tartan and Rabsaris and Rabshakeh from Lachish to king Hezekiah with a great host against Jerusalem. And they went up and came to Jerusalem. And when they were come up, they came and stood by the conduit of the upper pool, which [is] in the highway of the fuller's field. And when they had called to the king, there came out to them Eliakim the son of Hilkiab, which [was] over the household, and Shebna the scribe, and Joah the son of Asaph the recorder. And Rabshakeh said unto them, Speak ye now to Hezekiah, Thus saith the great king, the king of Assyria, What confidence [is] this wherein thou trustest? Thou sayest, (but [they are but] vain words,) [I have] counsel and strength for the war. Now on whom dost thou trust, that thou rebellest against me? Now, behold, thou trustest upon the staff of this bruised reed, [even] upon Egypt, on which if a man lean, it will go into his hand, and pierce it: so [is] Pharaoh king of Egypt unto all that trust on him. But if ye say unto me, We trust in the LORD our God: [is] not that he, whose high places and whose altars Hezekiah hath taken away, and hath said to Judah and Jerusalem, Ye shall worship before this altar in Jerusalem? Now therefore, I pray thee, give pledges to my lord the king of Assyria, and I will deliver thee two thousand horses, if thou be able on thy part to set riders upon them. How then wilt thou turn away the face of one captain of the least of my master's servants, and put thy trust on Egypt for chariots and for horsemen? Am I now come up without the LORD against this place to destroy it? The LORD said to me, Go up against this land, and destroy it.*

*Then said Eliakim the son of Hilkiab, and Shebna, and Joah, unto Rabshakeh, Speak, I pray thee, to thy servants*

*in the Syrian language; for we understand [it]: and talk not with us in the Jews' language in the ears of the people that [are] on the wall. But Rabshakeh said unto them, Hath my master sent me to thy master, and to thee, to speak these words? [hath he] not [sent me] to the men which sit on the wall, that they may eat their own dung, and drink their own piss with you? Then Rabshakeh stood and cried with a loud voice in the Jews' language, and spake, saying, Hear the word of the great king, the king of Assyria: Thus saith the king, Let not Hezekiah deceive you: for he shall not be able to deliver you out of his hand: Neither let Hezekiah make you trust in the LORD, saying, The LORD will surely deliver us, and this city shall not be delivered into the hand of the king of Assyria. Harken not to Hezekiah: for thus saith the king of Assyria, Make [an agreement] with me by a present, and come out to me, and [then] eat ye every man of his own vine, and every one of his fig tree, and drink ye every one the waters of his cistern: Until I come and take you away to a land like your own land, a land of corn and wine, a land of bread and vineyards, a land of oil olive and of honey, that ye may live, and not die: and hearken not unto Hezekiah, when he persuadeth you, saying, The LORD will deliver us. Hath any of the gods of the nations delivered at all his land out of the hand of the king of Assyria? Where [are] the gods of Hamath, and of Arpad? where [are] the gods of Sepharvaim, Hena, and Ivah? have they delivered Samaria out of mine hand? Who [are] they among all the gods of the countries, that have delivered their country out of mine hand, that the LORD should deliver Jerusalem out of mine hand?*

*But the people held their peace, and answered him not a word: for the king's commandment was, saying, Answer him not. Then came Eliakim the son of Hilkiab, which [was] over the household, and Shebna the scribe, and Joah the son of Asaph the recorder, to Hezekiah with [their] clothes rent, and told him the words of Rabshakeh. And it came to pass, when king Hezekiah heard [it], that he rent his clothes, and covered himself with sackcloth, and went into the house of the LORD. And he sent Eliakim, which [was] over the household, and Shebna the scribe, and the elders of the priests, covered with sackcloth, to Isaiah the prophet the son of Amoz. And they said unto him, Thus saith Hezekiah, This day [is] a day of trouble, and of rebuke, and blasphemy: for the children are come to the birth, and [there is] not strength to bring forth. It may be the LORD thy God will hear all the words of Rabshakeh, whom the king of Assyria his master hath sent to reproach the living God; and will reprove the words which the LORD thy God hath heard: wherefore lift up [thy] prayer for the remnant that are left. So the servants of king Hezekiah came to Isaiah.*

*And Isaiah said unto them, Thus shall ye say to your master, Thus saith the LORD, Be not afraid of the words which thou hast heard, with which the servants of the king of Assyria have blasphemed me. Behold, I will send a blast upon him, and he shall hear a rumour, and shall return to his own land; and I will cause him to fall by the*

*sword in his own land.*

*So Rabshakeh returned, and found the king of Assyria warring against Libnah: for he had heard that he was departed from Lachish. And when he heard say of Tirhakah king of Ethiopia, Behold, he is come out to fight against thee: he sent messengers again unto Hezekiah, saying, Thus shall ye speak to Hezekiah king of Judah, saying, Let not thy God in whom thou trustest deceive thee, saying, Jerusalem shall not be delivered into the hand of the king of Assyria. Behold, thou hast heard what the kings of Assyria have done to all lands, by destroying them utterly: and shalt thou be delivered? Have the gods of the nations delivered them which my fathers have destroyed; [as] Gozan, and Haran, and Rezeph, and the children of Eden which [were] in Thelasar? Where [is] the king of Hamath, and the king of Arpad, and the king of the city of Sepharvaim, of Hena, and Ivah?*

*And Hezekiah received the letter of the hand of the messengers, and read it: and Hezekiah went up into the house of the LORD, and spread it before the LORD. And Hezekiah prayed before the LORD, and said, O LORD God of Israel, which dwellest [between] the cherubims, thou art the God, [even] thou alone, of all the kingdoms of the earth; thou hast made heaven and earth. LORD, bow down thine ear, and hear: open, LORD, thine eyes, and see: and hear the words of Sennacherib, which hath sent him to reproach the living God. Of a truth, LORD, the kings of Assyria have destroyed the nations and their lands, And have cast their gods into the fire: for they [were] no gods, but the work of men's hands, wood and stone: therefore they have destroyed them. Now therefore, O LORD our God, I beseech thee, save thou us out of his hand, that all the kingdoms of the earth may know that thou [art] the LORD God, [even] thou only. Then Isaiah the son of Amoz sent to Hezekiah, saying, Thus saith the LORD God of Israel, [That] which thou hast prayed to me against Sennacherib king of Assyria I have heard. This [is] the word that the LORD hath spoken concerning him; The virgin the daughter of Zion hath despised thee, [and] laughed thee to scorn; the daughter of Jerusalem hath shaken her head at thee. Whom hast thou reproached and blasphemed? and against whom hast thou exalted [thy] voice, and lifted up thine eyes on high? [even] against the Holy [One] of Israel. By thy messengers thou hast reproached the Lord, and hast said, With the multitude of my chariots I am come up to the height of the mountains, to the sides of Lebanon, and will cut down the tall cedar trees thereof, [and] the choice fir trees thereof: and I will enter into the lodgings of his borders, [and into] the forest of his Carmel. I have digged and drunk strange waters, and with the sole of my feet have I dried up all the rivers of besieged places. Hast thou not heard long ago [how] I have done it, [and] of ancient times that I have formed it? now have I brought it to pass, that thou shouldest be to lay waste fenced cities [into] ruinous heaps. Therefore their inhabitants were of small power, they were dismayed and confounded; they were [as] the grass of the field, and [as] the green herb, [as] the grass on the housetops, and [as corn] blasted before it be grown up. But I know thy abode,*

*and thy going out, and thy coming in, and thy rage against me. Because thy rage against me and thy tumult is come up into mine ears, therefore I will put my hook in thy nose, and my bridle in thy lips, and I will turn thee back by the way by which thou camest. And this [shall be] a sign unto thee, Ye shall eat this year such things as grow of themselves, and in the second year that which springeth of the same; and in the third year sow ye, and reap, and plant vineyards, and eat the fruits thereof. And the remnant that is escaped of the house of Judah shall yet again take root downward, and bear fruit upward. For out of Jerusalem shall go forth a remnant, and they that escape out of mount Zion: the zeal of the LORD [of hosts] shall do this.*

*Therefore thus saith the LORD concerning the king of Assyria, He shall not come into this city, nor shoot an arrow there, nor come before it with shield, nor cast a bank against it. By the way that he came, by the same shall he return, and shall not come into this city, saith the LORD. For I will defend this city, to save it, for mine own sake, and for my servant David's sake. And it came to pass that night, that the angel of the LORD went out, and smote in the camp of the Assyrians an hundred fourscore and five thousand: and when they arose early in the morning, behold, they [were] all dead corpses. So Sennacherib king of Assyria departed, and went and returned, and dwelt at Nineveh. And it came to pass, as he was worshipping in the house of Nisroch his god, that Adrammelech and Sharezer his sons smote him with the sword: and they escaped into the land of Armenia. And Esarhaddon his son reigned in his stead.*

Hezekiah had begun his reign with a time of renewal of dedication to the Lord. He had he had initiated a repentance process. Sometimes we expect to have smooth sailing when we have consecrated ourselves to the Lord and begin on a journey of His leading. We may establish a plan for financial breakthrough, then still experience tough times.

The king's (Hezekiah's) messenger asked the messengers to talk in their language so not everybody would hear the challenge. When we have difficulty in our lives we sometimes wish to be able to keep the difficulty private. Sometimes it is a part of the enemy's plan to openly humiliate us in order to increase a feeling of defeat.

Hezekiah recognized that the battle was beyond him, and humbled himself before the Lord, spreading out the letter before the Lord, and crying out to Him. When we feel overwhelmed by bills we can spread them out before the Lord, humble ourselves, and pray over them.

The Lord sent His word to Hezekiah through Isaiah. Ask the Lord to encourage you and give you a word by which faith can come to you: Faith comes by hearing and hearing by the Word of God. Find some verses that speak to you and repeat them to yourself.

Worship! Once the Lord has given provision / His Word, believe that it is what is needed and threats are no longer valid. Wait and trust to see God move on your behalf. See II Chronicles 20 about how the worshippers preceded the army into great victory won by the Lord.

***Remember to keep laughing at the plans of the enemy!*** As Bob Mumford once said, “I looked at the end of the Book, and I know Who wins!”