THE COMPASS CHURCH

UNDERSTANDING BASIC INVESTING CONCEPTS FOR GROWING IN FAITHFUL STEWARDSHIP

FAITHFUL STEWARDSHIP'S CORE CONVICTIONS

Faithful stewardship is an adventure and a life-long journey. Investing diligently and wisely is part of the adventure and joys of stewardship.

Below is a brief summary of the Scriptural Core Convictions when approaching this adventure of Faithful Stewardship.

GOD OWNS EVERYTHING.

"The earth is the Lord's, and everything in it, the world, and all who live in it." Psalm 24:1

WE ARE STEWARDS.

We are stewards of every gift of resource (health, ability, finances, another day of living (time), etc.) from God's generous hand of provision.

The Lord Jesus said, "A faithful and wise steward is one to whom the master can give responsibility. When the master returns and finds he has been faithful and has done a good job, there will be a reward." Luke 12:42-43

We are accountable to God for how we manage His resources.

We are stewards. We are either faithful or unfaithful stewards. There is no option for opting-out of our accountability to God for how we manage everything that we have received from him.

LOVE IS THE SUSTAINING MOTIVATION OF A FAITHFUL STEWARD.

Becoming a dependable manager of God's resources entrusted to our care is challenging work.

Pursuing the glory of God and the good for others will sustain the faithful steward.

Jesus instructed us that loving God and loving others were the greatest commands of God we could follow.

"LOVE the Lord your God with all your heart and with all your soul and with all your mind. This is the first and greatest commandment. And the second is like it: 'LOVE your neighbor as yourself." Matthew 22:37-39

THE PRIORITY ORDER FOR FAITHFUL STEWARDSHIP IS…

1. GIVING GENEROUSLY - FIRST

"Honor the Lord with your wealth, with the firstfruits of all your crops; 10 then your barns will be filled to overflowing." Proverbs 3:9

2. SAVING DILIGENTLY - SECOND (THIS IS WHERE INVESTING IS APPROPRIATE)

"The wise man SAVES for the future, but the foolish man spends whatever he gets." Proverbs 21:20

3. SPENDING WISELY - THIRD

"Be sure you know the condition of your flocks (finances), give careful attention to your herds." Proverbs 27:23

***NOTE:** See eBooklet - *Faithful Stewardship* for more details.

INVESTING PUTS "MONEY TO WORK"

In Luke chapter 19 Jesus tells a parable of a master who gave his servants significant resources to manage while he was away.

"The master called his servants and gave them each three months' wages (ten minas) "Put this money to work," he said, "until I come back." Luke 19:13

In Matthew 25 Jesus tells a similar parable about a master who gave three of his servants different quantities of "bags of gold." One received five bags of gold, another received two bags of gold, and a third servant received one bag of gold. Each of these bags of gold was worth about 20 years wages. So, the master entrusted some significant resources to the stewarding care of others without relinquishing ownership.

Matthew 25:16 The man who had received five bags of gold (100 years worth of wages) went at once and put his money to work and gained five bags more.

In both parables upon the Master's return, the servants who multiplied the Master's resources by "putting the money to work" - were commended by the Master as good and faithful servants who were faithful with a FEW things; so they would be entrusted with MORE.

INVESTING IS CHALLENGING

For many of us, investing is the toughest part of Faithful Stewardship. It can be **confusing**, and it can be **intimidating.**

Confusing because of the unique language used by investors, such as *bull markets, bear markets, asset allocation, exchange-traded funds, 401k's, 403b's, IRA's, Traditional, Roth, etc*. What does it all mean?

Intimidating because of how quickly—and how far—the stock market can fall and lose value.

It is important for you to grow in your understanding, faithfulness, and effectiveness in this area of investing because of its potential impact on faithful stewardship. This will be the aim of the rest of this guide.

INVESTING COMES WITH RISKS

Here are several of the most common risks associated with investing, and the steps you should consider to help manage and mitigate these risks.

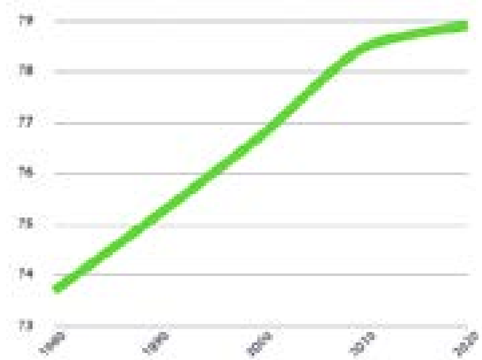
INFLATION RISK

Inflation risk is recognizing the possibility that the money you are setting aside for the future has the potential of not growing in value as fast as the cost of living. For example, if you were to buy groceries today for $600. And, inflation was to average 3% per year. In 25 years those same groceries would cost $1,200. To manage this risk, choose investments that have a good track record of outpacing inflation over the long haul.

*** Chart Source:** Stocks, bonds, cash, and inflation: Morningstar 1926-2017. Gold: Actual gold prices 1934-2017. Real Estate: Case Shiller Index 1926-2017.

TYPE	ANNUAL RETURN
Inflation	2.9%
Cash	3.4%
Real Estate	3.8%
Gold	4.3%
Bonds	5.5%
Stocks	10%

LONGEVITY RISK



Longevity risk is the possibility that you might outlive your money. You cannot know and do not know how long you will live. The best way to manage this risk is to build your investment plan around the assumption of a long life. Many financial planning professionals will encourage you to make plans to live into your 90's. Over the past 40 years, life expectancy in the United States has increased by five years from 74 to 79. This means many are living well beyond 79.

MARKET RISK

Market risk is the ever-present possibility that the market—and your investments—will decline in value. One important way to manage this risk is to diversify your portfolio. Diversification is a principle that comes straight from the pages of Scripture.

"Divide your investments among many places, for you do not know what risks might lie ahead." Ecclesiastes 11:2

Asset allocation is the thoughtful, intentional process of deciding how to diversify your investments across many investment types. These basic investment types will be described in the next few pages.

EMOTIONAL RISK

Emotional risk is the risk of getting in your own way. This may be the single biggest threat to your effectiveness as an investor. Making investment decisions based on emotions, such as fear, panic, or greed proves to be harmful as an investor. One way to avoid emotional decision-making is to see yourself as a long-term investor. Scripture again provides wise counsel.

"Wealth gained hastily will dwindle, but ***whoever gathers little by little will increase it.****"*
Proverbs 13:11

*"****Steady plodding brings prosperity****; hasty speculation brings poverty."* Proverbs 21:5

VARIOUS PERIODS	POSITIVE RETURN
One Day	54%
One Month	62%
One year	79%
10 Year	94%
20 Year	100%

Knowing a little market history is helpful.

Over the past 100 years, here's how often the stock market has generated a positive return based on various time periods. The longer you are in the market the more likely you will have a positive return.

***Chart Source**: Returns 2.0

Since World War II there have been 12 bear (bad) markets:

-they averaged a market decline of 32.5%

-they lasted an average of 14.5 months

-they took on average 24 months to fully recover

Investors who sold at the bottom of these markets saw a detrimental effect on their savings. And of course, those who stayed in long enough to experience a subsequent recovery were better off. Remaining focused on the long-term is important when in the middle of a bear market.

UNDERSTANDING RISK TOLERANCE & RISK CAPACITY

Risk tolerance and risk capacity are two concepts that need to be understood clearly before making investment decisions. Together, the two help to determine the amount of risk that should be taken in a portfolio of investments. That risk determination is combined with a target rate of return (or how much money you want your investments to earn) to help construct your investment plan's asset allocation.

RISK TOLERANCE

Risk tolerance is coming to the understanding of how much wise and thoughtful risk you can take in your investments before you begin to lose sleep at night.

There are many tools available for assessing your risk tolerance. However, your risk tolerance is more than a "score" at the end of an assessment. It is about coming to a healthy understanding and self-awareness of how God has wired you emotionally and what would be considered wise and faithful stewardship for you in your circumstances.

RISK CAPACITY

Risk capacity is an equally important concept to understand and implement. Unfortunately in the financial planning world risk capacity is addressed less frequently than risk tolerance.

The neglect of risk capacity is foolish when assessing your investing timeline.

People prefer talking about risk tolerance vs. risk capacity because risk capacity assesses your age and life expectancy. The closer you are to retirement and the number of years you will need retirement savings impacts the amount of risk you should be taking.

BALANCING RISK TOLERANCE & RISK CAPACITY

The problem many investors face is that their risk tolerance and risk capacity are not the same. When the amount of necessary risk exceeds the level the investor is comfortable taking (their personal risk tolerance), a shortfall most often will occur in terms of reaching future goals.

On the other hand, when risk tolerance is higher than necessary, undue risk may be taken by these "risk lovers" leading to unnecessary risk and loss toward the goal of faithful stewardship with investments.

BASIC INVESTMENT TYPES

STOCKS

When you buy a share of stock, **you become a part-owner** of a company.

- If the company is healthy and grows your stock grows in value and you can sell it for a profit.
- If the company struggles your stock declines in value and if you sell it, you will experience a loss.

BONDS

When you buy a bond, **you become a lender.** The issuer of the bond, such as a corporation, city, or the federal government, is borrowing money from you. As long as the bond issuer doesn't go bankrupt, it will repay the money along with some interest.

- Bonds are really an "I Owe You."

- Bonds pay a "fixed" interest rate, meaning the interest rate doesn't change.
- If a company goes bankrupt they have to pay the bondholders first, then the stockholders, this is the reason bonds are considered a safer investment than stocks.

Generally speaking, stocks have greater growth potential than bonds. But, stocks also have a higher risk for loss. Stocks help your portfolio with growth potential and bonds help reduce the potential for loss and volatility.

Single stocks or bonds both carry risk because it only takes one company or organization to fail and go bankrupt and you could lose your investment. For every spectacular performing stock like Amazon and Apple, there are thousands of other companies that fail. Single stocks and bonds carry higher risk.

BASIC DIVERSIFIED INVESTMENT TYPES

These common investment types were created to diversify risk with a mix of many different assets.

MUTUAL FUNDS

When you buy a mutual fund you are diversifying your investments across many companies instead of individual stocks and bonds.

- Buying just a single share, which you can do for less than $100, will diversify your money across hundreds of businesses representing many different sectors of the economy.
- When the stock of one company is down it doesn't hurt the whole investment because other stocks are up.
- Mutual Funds began in the 1920s.
- The oldest surviving mutual fund is the Vanguard Wellington Fund created in 1929. It was the first mutual fund to own stocks and bonds in one fund.
- In 2018 there were over 8,000 different mutual funds available.
- Over 44% of American households have some investment in a mutual fund. Many of these investments can be found inside company-run retirement accounts of 401k's or 403b's.

Actively vs. Passively Managed Funds

An actively managed investment fund is a fund in which a manager or a management team makes decisions about how to invest the fund's money. A passively managed fund, by contrast, simply follows a market index. It does not have a management team making investment decisions.

- In 2000 88% of all funds were actively managed.
- In 2019 55% of all funds were actively managed. Most of these are mutual funds.
- In 2020, the average expense ratio of actively managed equity mutual funds was 0.71 percent, down from 0.72 percent in 2019 and 1.08 percent in 1996.
- The average passively managed index equity mutual fund expense ratios also fell over this period. In 2020, average index equity mutual fund expense ratios were 0.06 percent, compared with 0.27 percent in 1996. Expense ratios are trending down and this is good for the investor.

The clear trend in the past two decades is toward passively managed funds. Why? Because the cost to run these funds is less than actively managed funds. And, passively managed index funds have been outperforming 80-90% of actively managed funds.

It is important to acknowledge that 10-20% of actively managed funds are outperforming passively managed funds.

However, finding those high-performing actively managed funds is a challenge. The actively managed and higher-performing funds one year can be lower-performing the next year.

INDEX FUNDS

Index Funds are similar to mutual funds. Index Funds began on August 31, 1976, when Vanguard founder Jack Bogle launched Vanguard 500 (VFINX).

Instead of being managed by a person or management team, Index Funds are almost always passively managed by following some of the most common indexes used for investing.

Here are some of the common indexes used by Index Funds.

- **The Dow** - The Dow Jones Industrial Average is an index that represents the average price movement of 30 **large companies** from various industries in the United States.
- **The S&P 500** - The Standard & Poor's 500 is the most common index used as a benchmark for the **Large Cap** segment of the US domestic stock market. The index represents approximately 500 US-based companies and covers approximately 75% of the US equity market.
- **The NASDAQ** - The National Association of Securities Dealers Automated Quotation Systems is a stock exchange like the better known New York Stock Exchange (NYSE) on Wall Street. The NASDAQ is recognized for its high concentration of technology sector stocks. The NASDAQ's main index is the **NASDAQ Composite**, which consists of over 2500 stocks but the best-known index is the **NASDAQ 100**.
- **The Wilshire 5000** - (referred to as **"The Total Stock Market Index"**) is the broadest stock market index -- a sampling of more than 5000 stocks representing a range of market capitalization (i.e. large-cap, mid-cap, and small-cap) weighted toward the larger companies.

CAPITALIZATION TYPE	COMPANY WORTH
Large Cap - Growth (focused on Growth)	$10+ Billion
Large Cap - Value (thought to be undervalued)	$10+ Billion
Mid Cap	$2-10 Billion
Small Cap	$300 Million to $2 Billion

- **The Russell 3000** - is often called a broad market index because it represents approximately 98% of the investable U.S. equity market. Investors should note that the Russell 3000 should be considered the **Large Cap** portion of the portfolio and therefore should still have representation from other fund types or categories, such as small-cap stock, foreign stock, and fixed income (bonds) within the portfolio.
- **The Russell 2000** - is constructed to provide a comprehensive and unbiased **Small Cap** barometer and is completely reconstituted annually to ensure larger stocks do not distort the performance and characteristics of the true small-cap opportunity set.
- **The S&P 400** - is an index comprised of U.S. stocks in the **Mid Cap** range. It provides investors with a benchmark for mid-sized companies. The S&P 400 covers almost 6% of the U.S. equities market.
- **The MSCI Indexes** - MSCI is an acronym for Morgan Stanley Capital Investments. There are several MSCI indices, which are widely used as **benchmarks for foreign stock** portfolio performance.

- **The Bloomberg Barclays US Aggregate Bond Index** - also known as "the BarCap Aggregate," is a **broad bond index** covering most U.S. traded bonds and some foreign bonds traded in the U.S.

EXCHANGE-TRADED FUNDS (ETFS)

In essence, ETFs are a subclass of mutual funds. The first ETF (the S&P 500 SPDR) came to life on January 23, 1993. In 2003 there were 123 ETFs. In 2020 there were over 2200 ETFs in the US.

Like Index Funds, ETFs are almost always passively managed.

ETFs have grown in popularity because of their low expense ratios and uniqueness in how they are traded.

- One main difference is when ETFs may be traded. Mutual funds are priced at the end of each day. So, if you enter a buy order at 11:00 a.m., the order won't be filled until the very end of the day. ETFs are priced throughout the day, therefore trading like stocks. If you enter a "market order," it will be filled at the earliest opportunity.
- The other key difference is how ETFs are bought and sold. With a mutual fund, you can buy fractional shares. If you want to buy $500 worth of XYZ mutual fund, you can (unless it has a higher minimum required investment amount). ETFs can only be bought in whole shares. To buy $500 of XYZ exchange-traded fund, you'd have to divide $500 by the price per share to see how many shares your money could buy.

TARGET RETIREMENT INDEX FUNDS

A Target Retirement Index Fund is a diversified Index Fund that considers your current age and when you plan to retire. A "glide path" of less risk as you age is built into this investment fund.

If you are early in your retirement investing journey, a Target Retirement Index Fund is worthy of your consideration. These funds simplify your retirement investing by requiring that you answer only two questions.

1. In what year do you anticipate retiring?
2. How much money can you save?

Target Retirement Index Funds (also referred to as: "Target-Date", "Age-Based", and "Life-Cycle" funds) take into account your current age and your best guess as to when you plan to begin your retirement. These investments automatically determine an asset allocation (stocks vs. bonds ratio) with a generally applied understanding of risk tolerance and capacity for someone your age.

***NOTE:** Many company plans have Target Retirement Funds that are actively managed. Look at the expense ratio of these funds.

CLICK THIS LINK - for a blog post on the pros and cons of Target Retirement Funds.

INVESTING IN WAYS THAT MINIMIZE TAXES

Paying taxes is encouraged and supported by Scripture.

"Give to everyone what you owe them: If you owe taxes, pay taxes; if revenue, then revenue; if respect, then respect; if honor, then honor." Romans 13:7

However, you should not overpay taxes. In fact, part of good stewardship is making use of the tax-advantaged investment tools available to you.

There are ways to invest that will enable you to save on taxes.

There are just TWO DECISIONS you need to make for you to discern what tax-advantaged accounts are best suited for your unique situation.

DECISION #1 - WHAT INVESTMENT VEHICLE SHOULD YOU USE? (*401K, IRA, OR BOTH)

***NOTE:** If your employer offers a 403(b) plan, a 457 plan, or the Thrift Savings Plan (TSP), all of the 401(k) plan advice below in this decision tree applies to your plan as well.

THE DECISION-MAKING TREE HAS THREE STEPS

It is a relatively simple process. If you prefer seeing this in a "decision-tree flowchart" CLICK THIS LINK.

1. Do you have access to a 401(k) or other workplace retirement account?

❑ **Yes** ❑ **No**

If no, your path is clear. Use an IRA to invest for your later years in a tax-advantaged way.

2. If you do have access to a workplace plan, will your employer match your contributions?

❑ **Yes** ❑ **No**

If yes, contribute as much as needed to receive your employer's matching funds. This is a guaranteed return on your investment. Do not miss this wise guaranteed return investment.

If no, *Are you eligible to contribute to an IRA?* The IRS provides eligibility income ranges for IRA accounts.

You can view those details by CLICKING THIS LINK.

If you are **not** eligible, your only choice for additional tax-advantaged retirement investing is to invest more in your workplace 401(k) plan.

If you **are** eligible, where you should make these additional contributions depends, in part, on how satisfied you are with the investment choices available through your workplace plan.

***NOTE:** If you have access to a 401(k) plan, but your employer does not offer a match on your contributions, you may want to make an IRA the starting point for your retirement investing and then make any needed additional contributions to your workplace plan.

The amount you can contribute to an IRA is most often less than what you can contribute to a 401(k) plan However, keep this in mind: If you are married, both you and your spouse should be able to contribute to an IRA, even if your spouse doesn't work outside the home.

3. Are you satisfied with your 401(k) plan's investment options? In other words, do they enable you to invest as you would like to invest?

❑ **Yes** ❑ **No**

If yes, contribute more money toward your workplace plan. That will keep things simple.

If no, use an IRA for your additional contributions. An IRA will give you access to a wide range of investment options.

DECISION #2 - WHICH TYPE OF IRA OR 401(K) TO USE—TRADITIONAL OR ROTH?

Once you've decided which retirement vehicle to use (a 401(k), IRA, or Both), your second decision is which type: **Traditional** or a **Roth**.

A **Traditional** account provides an upfront tax deduction for the money you contribute. Money in the account (contributions and earnings) is then **tax-deferred**—it's taxed when you withdraw it years later.

A **Roth** account works the other way around. There is no tax deduction for contributions. However, you can withdraw money from the account **tax-free** in retirement.

WHICH ONE IS BEST FOR YOU?

Generally, if you are in a relatively low tax bracket now (such as if you are early in your career) but expect to be in a higher tax bracket in retirement, a Roth will likely be more advantageous to you.

If you are further along in your career and in a relatively high tax bracket now, you may be better served by a Traditional IRA or 401(k).

However, this is not necessarily an either/or decision. To diversify your tax liability, you could use both Traditional and Roth accounts.

QUALITIES OF A HEALTHY INVESTMENT STRATEGY

There are all kinds of investment strategies. Books are filled with "secret sauce recipes" for investing. How do you know which one to choose?

How can you evaluate whether or not a proposed investment strategy is healthy?

You can assess the health of any investment strategy by getting the answer to these four questions.

IS IT OBJECTIVE?

If this strategy is driven by an objective investment selection process (instead of a "hot tip" from a friend or media personality) following clear, unbiased, data-driven rules - it passes **the objectivity test.**

IS IT EASY TO UNDERSTAND?

If you can explain this strategy in simple language to an investing novice so that they could understand and explain the strategy back to you - it passes **the easy test**.

DOES IT HAVE A PROFITABLE TRACK RECORD?

If you have researched (by reading its prospectus) and looked at how this investment has performed historically in bear (bad) market conditions and in bull (good) market conditions. And, if it has a significantly long and profitable track record - it passes **the profitable test.**

CAN I COMMIT TO IT NO MATTER WHAT IS HAPPENING IN THE MARKET?

A healthy investment strategy is only as strong as your willingness and ability to…
1. Execute the strategy. And, 2. Stick with it no matter what is happening in the stock market.

If you can do both of these, - it passes **the commitment test.**

BASIC INVESTMENT APPROACHES

Each of the following three investment approaches has the potential to provide you with a strategy that meets the four qualities of a healthy investment strategy - just described. Factors that should influence your current approach decision are: the size and complexity of your financial situation; along with the time you can devote to learning and implementing your investment strategy.

1. YOU DO IT.

This is the DIY (do it yourself) approach. To be effective with this approach you need to apply a trustworthy investment strategy by either:

a. Selecting a Target Retirement Index Fund that most closely matches the year you will potentially retire. This is the most simple approach. Or, by ...

b. Building a portfolio of Mutual, Index, or ETF Funds that spread your investing dollars across stocks and bonds according to your optimal asset allocation. This is more involved but could result in better performance.

2. YOU DO IT - WITH HELP.

Dave Ramsey of Ramsey Solutions

Dave and his organization are the authors of the widely popular Financial Peace University (FPU) curriculum and best-selling book - The Total Money Makeover.

Dave and Ramsey Solutions suggest the following asset allocation for investments. They encourage saving 15% of your income toward retirement by building an investment portfolio of diversified mutual funds in these four asset allocations: 25% Growth (Large Cap-Value), 25% Growth and Income (Large Cap-Growth), 25% Aggressive Growth (Small and Mid Cap), 25% International (Non-US).

Dave and Ramsey Solutions are highly regarded for their work in helping people get out of debt and moving toward financial health. However, some consider Dave's investing advice to be overly aggressive with 100% in stock equities and without a place for the diversification that a bond portion of a portfolio provides. You need to evaluate such a strategy for your specific circumstances and understand the risks.

Sound Mind Investing

SMI's stated mission is to take the fear out of investing with objective, proven strategies that do-it-yourself investors can implement with confidence.

SMI was founded in 1990 by Austin Pryor and is based in Louisville, Ky. The company's name comes from 2 Timothy 1:7 "For God has not given us the spirit of fear, but of power, and of love, and of a sound mind."

SMI has a highly regarded monthly newsletter you can receive with a paid subscription. It has many additional investing resources that include: videos, portfolio trackers, calculators, etc. They also provide four investment strategies that are objective with clear, unbiased, data-driven rules and you can evaluate if their implementation would match your investment goals.

3. YOU DO IT - WITH THE HELP OF AN INVESTING PROFESSIONAL.

There is a strong likelihood that at some point in your faithful stewardship journey you will find it wise to seek the counsel of professionals.

"Plans fail for lack of counsel, but with many advisers, they succeed." Proverbs 15:22

On our website is a free resource titled - *Guidance for Building a Faithful Stewardship* - Advisory Team

You can also email - stewardship@thecompass.net if you are unable to find this resource online.

ADDITIONAL RESOURCES FOR FINDING AN INVESTING PROFESSIONAL

Kingdom Advisors Directory of competent professionals who are receiving ongoing biblical training, and are committed to technical competency, ethical standards, and they personally give and steward their own finances.

Ramsey Solutions Trusted Providers - Vetted professionals who can help provide information and advice regarding Insurance, Real Estate, Debt Elimination, Investing, and Taxes.

FINRA - Every investor in America relies on one thing: fair financial markets. To protect investors and ensure the market's integrity, FINRA is a government-authorized not-for-profit organization that oversees U.S. broker-dealers. FINRA is authorized by Congress to protect America's investors by making sure the broker-dealer industry operates fairly and honestly. They oversee more than 624,000 brokers across the country—and analyze billions of daily market events.

FINRA BrokerCheck - A free tool to confirm whether investment professionals and firms are licensed. It should be the first resource you turn to when choosing whether to start or continue doing business with a particular person or firm.

FINRA Fund Analyzer - Automatically compare fees and analyze information on over 30,000 mutual funds, exchange-traded funds, exchange-traded notes, and money market funds.

SAVING DILIGENTLY THROUGH INVESTING - START EARLY

COMPOUND INTEREST IS THE 8TH WONDER OF THE WORLD - ALBERT EINSTEIN

To illustrate: Ben starts investing $2,000 a year at age 19, then stops at age 27. Tim starts investing $2,000 a year at age 27 and stops at 65. Who did better at age 65 assuming they both average 10% returns?

AGE	BEN INVESTS	10% INTEREST RETURN	BEN'S INVESTMENT GROWTH	TIM INVESTS	10% INTEREST RETURN	TIM'S INVESTMENT GROWTH
19	$2,000	$200.00	$2,200.00	$0	$0.00	$0.00
20	$2,000	$420.00	$4,620.00	$0	$0.00	$0.00
21	$2,000	$662.00	$7,282.00	$0	$0.00	$0.00
22	$2,000	$928.20	$10,210.20	$0	$0.00	$0.00
23	$2,000	$1,221.02	$13,431.22	$0	$0.00	$0.00
24	$2,000	$1,543.12	$16,974.34	$0	$0.00	$0.00
25	$2,000	$1,897.43	$20,871.78	$0	$0.00	$0.00
26	$2,000	$2,287.18	$25,158.95	$0	$0.00	$0.00
27	$0	$2,515.90	$27,674.85	$2,000	$200.00	$2,200.00
28	$0	$2,767.48	$30,442.33	$2,000	$420.00	$4,620.00
29	$0	$3,044.23	$33,486.57	$2,000	$662.00	$7,282.00
30	$0	$3,348.66	$36,835.22	$2,000	$928.20	$10,210.20
31	$0	$3,683.52	$40,518.75	$2,000	$1,221.02	$13,431.22
32	$0	$4,051.87	$44,570.62	$2,000	$1,543.12	$16,974.34
33	$0	$4,457.06	$49,027.68	$2,000	$1,897.43	$20,871.78
34	$0	$4,902.77	$53,930.45	$2,000	$2,287.18	$25,158.95
35	$0	$5,393.05	$59,323.50	$2,000	$2,715.90	$29,874.85
36	$0	$5,932.35	$65,255.85	$2,000	$3,187.48	$35,062.33

AGE	BEN INVESTS	10% INTEREST RETURN	BEN'S INVESTMENT GROWTH	TIM INVESTS	10% INTEREST RETURN	TIM'S INVESTMENT GROWTH
38	$0	$7,178.14	$78,959.57	$2,000	$4,276.86	$47,045.42
39	$0	$7,895.96	$86,855.53	$2,000	$4,904.54	$53,949.97
40	$0	$8,685.55	$95,541.09	$2,000	$5,595.00	$61,544.96
41	$0	$9,554.11	$105,095.19	$2,000	$6,354.50	$69,899.46
42	$0	$10,509.52	$115,604.71	$2,000	$7,189.95	$79,089.41
43	$0	$11,560.47	$127,165.18	$2,000	$8,108.94	$89,198.35
44	$0	$12,716.52	$139,881.70	$2,000	$9,119.83	$100,318.18
45	$0	$13,988.17	$153,869.87	$2,000	$10,231.82	$112,550.00
46	$0	$15,386.99	$169,256.86	$2,000	$11,455.00	$126,005.00
47	$0	$16,925.69	$186,182.55	$2,000	$12,800.50	$140,805.50
48	$0	$18,618.25	$204,800.80	$2,000	$14,280.55	$157,086.05
49	$0	$20,480.08	$225,280.88	$2,000	$15,908.60	$174,994.65
50	$0	$22,528.09	$247,808.97	$2,000	$17,699.47	$194,694.12
51	$0	$24,780.90	$272,589.87	$2,000	$19,669.41	$216,363.53
52	$0	$27,258.99	$299,848.85	$2,000	$21,836.35	$240,199.88
53	$0	$29,984.89	$329,833.74	$2,000	$24,219.99	$266,419.87
54	$0	$32,983.37	$362,817.11	$2,000	$26,841.99	$295,261.86
55	$0	$36,281.71	$399,098.82	$2,000	$29,726.19	$326,988.05
56	$0	$39,909.88	$439,008.71	$2,000	$32,898.80	$361,886.85
57	$0	$43,900.87	$482,909.58	$2,000	$36,388.68	$400,275.53
58	$0	$48,290.96	$531,200.53	$2,000	$40,227.55	$442,503.09
59	$0	$53,120.05	$584,320.59	$2,000	$44,450.31	$488,953.40
60	$0	$58,432.06	$642,752.65	$2,000	$49,095.34	$540,048.74
61	$0	$64,275.26	$707,027.91	$2,000	$54,204.87	$596,253.61
62	$0	$70,702.79	$777,730.70	$2,000	$59,825.36	$658,078.97
63	$0	$77,773.07	$855,503.77	$2,000	$66,007.90	$726,086.87
64	$0	$85,550.38	$941,054.15	$2,000	$72,808.69	$800,895.56
65	$0	$94,105.41	$1,035,159.56	$2,000	$80,289.56	$883,185.11
	$16,000		$1,035,159.56	$78,000		$883,185.11

***NOTE:** Total invested by Ben and Tim compared to their investment growth.
****LESSON - Start early. Start today!**

TO BE CLEAR

This *Understanding Basic Investing Concepts: For Growing in Faithful Stewardship* guide and all associated materials are intended to inspire and assist you with faithful stewardship information and instruction. This booklet is not an attempt to render legal, accounting, or other professional services. Your personal financial situation is unique and fact-dependent. Before making any decisions or implementing any financial strategy, you should consider obtaining information and advice from wise professionals who are fully aware of your circumstances.

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