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INVESTING FOR THE FUTURE (PART 1)

MY FOUNDATION PRINCIPLE

- Seek Learning: Resolve Where You Are Going and How to Get There

FINANCIAL PRINCIPLES AND SKILLS

1. Save Money
2. Consider Home Ownership
3. Seek Education



REPORT—Maximum Time: 25 Minutes

LAST WEEK'S COMMITMENTS:

- Ⓐ Practice and share last week's My Foundation principle.
- Ⓑ Continue to put money toward my financial priority.
- Ⓒ Discuss my "Budget and Spending Checkpoint" responses and preparing for financial crises during family council.
- Ⓓ Contact and support my action partner.

STEP 1: EVALUATE WITH ACTION PARTNER (5 minutes)

Take a few minutes to evaluate your efforts to keep your commitments this week. Use the "Evaluating My Efforts" chart at the beginning of this workbook. Share your evaluation with your partner and discuss with him or her the question below. He or she will then initial where indicated.

Discuss: What challenges did you have with keeping your commitments this week?

EVALUATING MY EFFORTS				
INSTRUCTIONS: Evaluate your effort to keep the commitments you made each week. Share your evaluation with your action partner. Ponder ways you can continue to improve as you practice forming these important habits.				
KEY: ● Minimal Effort ● Moderate Effort ● Significant Effort				
Ⓐ Practice and share the My Foundation principle	Ⓑ Plan and Manage My Finances	Ⓒ Hold a Family Council	Ⓓ Contact and Support My Action Partner	Action Partner's Initials
Example Be obedient ● ● ●	Track expenses ● ● ●	Counsel about obedience ● ● ●	● ● ●	<i>JW</i>
Week 1 Self reliance is a principle of salvation ● ● ●	Track expenses ● ● ●	Counsel with the Lord ● ● ●	● ● ●	_____
Week 2 Exercise faith in Jesus Christ ● ● ●	Track expenses ● ● ●	Counsel about income and expenses ● ● ●	● ● ●	_____
Week 3 Repent and be obedient ● ● ●	Track expenses ● ● ●	Counsel about tithes and offerings ● ● ●	● ● ●	_____
Week 4 Live a balanced life ● ● ●	Build a budget ● ● ●	Counsel about budgeting ● ● ●	● ● ●	_____
Week 5 Solve problems ● ● ●	Choose a budgeting system ● ● ●	Counsel about budgeting ● ● ●	● ● ●	_____
Week 6 Use time wisely ● ● ●	Put money toward financial priority ● ● ●	Counsel about emergency fund, insurance ● ● ●	● ● ●	_____
Week 7 Show integrity ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	_____
Week 8 Work, take responsibility and giveback ● ● ●	Put money toward financial priority ● ● ●	Counsel about debt ● ● ●	● ● ●	_____
Week 9 Communicate, partner and listen ● ● ●	Put money toward financial priority ● ● ●	Counsel about crisis management ● ● ●	● ● ●	_____
Week 10 Seek learning, resolve issues and be going and how to get there ● ● ●	Put money toward financial priority ● ● ●	Counsel about saving, home ownership, education ● ● ●	● ● ●	_____
Week 11 Become one, serve together ● ● ●	Put money toward financial priority ● ● ●	Counsel about retirement planning ● ● ●	● ● ●	_____

STEP 2: REPORT TO THE GROUP (8 minutes)

After evaluating your efforts, come back together and report your results. Go around the group and each state whether you rated yourself “red,” “yellow,” or “green” for each of last week’s commitments.

STEP 3: SHARE YOUR EXPERIENCES (10 minutes)

Now share as a group the things you learned from striving to keep your commitments during the week.

- Discuss:**
- What experiences did you have practicing or sharing the My Foundation principle?
 - How was your discussion about your budget and spending?
 - What did you decide to do to better prepare for financial crises?

STEP 4: CHOOSE ACTION PARTNERS (2 minutes)

Choose an action partner from the group for this coming week. Generally, action partners are the same gender and are not family members.

Take a couple of minutes now to meet with your action partner. Introduce yourselves and discuss how you will contact each other throughout the week.

Action partner's name

Contact information

Write how and when you will contact each other this week.

SUN	MON	TUES	WED	THURS	FRI	SAT



MY FOUNDATION: SEEK LEARNING

—Maximum Time: 20 Minutes

Ponder: How does learning create opportunity?

Watch: “Education for a Better Life,” available at srs.lds.org/videos.
(No video? Read page 165.)

Discuss: What did Elder Joseph W. Sitati want when he was 13? What did he do about it?

Read: Doctrine and Covenants 88:118–19 and the quote by President Gordon B. Hinckley (on the right)

Ponder: What thoughts and impressions have you had from the Holy Ghost about improving your life?

ACTIVITY—CREATING A “LIFE’S MISSION”

Step 1: Read the quote by President Henry B. Eyring (on page 163). The Lord has a plan for you. He has blessed you with special gifts and talents that will allow you to become anything He desires you to become. You can fulfill your mission here on earth if you are diligent in seeking to understand and obey His will for you.

Step 2: Answer the questions below to start creating your vision or “life’s mission.”

MY LIFE’S MISSION

Where do I want to be in five years?

Why?

What skills, knowledge, or experience do I need to get there?

“Seek ye diligently and teach one another words of wisdom; yea, seek ye out of the best books words of wisdom; seek learning, even by study and also by faith. . . . Establish a house . . . of learning.”

DOCTRINE AND COVENANTS 88:118–19

“We have a responsibility and a challenge to take our places in the world of business, science, government, medicine, education, and every other worthwhile and constructive vocation. We have an obligation to train our hands and minds to excel in the work of the world for the blessing of all mankind.”

GORDON B. HINCKLEY, “A City upon a Hill,” *Ensign*, July 1990, 5

Commit: Commit to do the following actions during this week. Check the box when you complete each action.

- Complete the following goals and mentor activities.
- Finish writing your “life’s mission” plan and discuss it with your family.
- Ask someone to be your mentor and set a time to meet.

ACTIVITY—CREATING GOALS

Step 1: Read the quote from President Howard W. Hunter (on the right). Through goals, our hopes are transformed into action.

Goals should:

1. Be specific and measurable.
2. Be written down and placed where you can see them at least daily.
3. Have set completion times.
4. Have specific actions to take to accomplish the goal.
5. Be constantly reviewed, reported, and updated.

Step 2: On a separate sheet of paper, write two or three goals that will help you achieve your life’s mission. Follow the example below. Place the paper where you can see it daily.

GOAL	WHY?	SPECIFIC STEPS TO ACHIEVE GOAL	TIMELINE	WHO WILL I REPORT MY PROGRESS TO?
EXAMPLE: Read the Book of Mormon 30 minutes each day.	So I can receive daily direction from the Holy Ghost.	1. Wake up at 6:30 a.m. every day. 2. Read before breakfast. 3. Record my progress on a chart.	I will evaluate my progress every night before I go to bed.	I will share my progress chart with a family member each Sunday.

“Plead that the Spirit will show you what the Lord wants you to do. Plan to do it. Promise Him to obey. Act with determination until you have done what He asked. And then pray . . . to know what you might do next.”

HENRY B. EYRING,
“Act in All Diligence,”
Ensign or Liahona,
May 2010, 63

“This is a gospel of repentance, and we need to be repenting and resolving. Indeed, the process of repenting, making commitments, and setting goals should be a continuous one. . . . I commend the practice to you.”

HOWARD W. HUNTER,
“The Dauntless
Spirit of Resolution”
(Brigham Young
University devo-
tional, Jan. 5, 1992), 2,
speeches.byu.edu

ACTIVITY—FINDING A MENTOR

Step 1: Read the quote from Elder Robert D. Hales (on the right). There are different kinds of mentors. You may need someone with a lot of experience to answer your questions—someone who has done what you want to do. Other mentors can be righteous friends or family members. These are people willing to spend more time encouraging you to make changes in your life and holding you accountable to progress.

Step 2: Think about the kind of help you need. Write a list of people who could be your mentors. Ponder and pray about your list of names.

Step 3: Answer the questions below to start a mentor relationship. To invite someone to be your mentor, you could simply ask, “I’m trying to make a change in my life. Would you be willing to help me?”

MY MENTOR
Who would you like to be your mentor?
When will you ask him or her to be your mentor?
When could you meet to share your “life’s mission” and goals?
How frequently would you like to meet with your mentor?

Step 4: Remember that you are responsible for your “life’s mission.”

When you meet with your mentor:

- Review your progress.
- Review the roadblocks to your progress and what you are doing to overcome them.
- Review specifically what you plan to do before you meet with your mentor again.

“In my young adult years, I sought counsel from my parents and from faithful, trusted advisers. One was a priesthood leader; another was a teacher who believed in me. . . . Prayerfully select mentors who have your spiritual well-being at heart.”

ROBERT D. HALES,
“Meeting the Challenges of Today’s World,”
Ensign or Liahona,
 Nov. 2015, 46

EDUCATION FOR A BETTER LIFE

If you are unable to watch the video, read this script.



ELDER JOSEPH W. SITATI: At 13 I lived in a very rural part of Kenya. People had very little. But those who seemed to afford the things that others admired were those who had a good education. I came to see that education was a key to a better life.

The thought kept coming to me to go and speak to the principal of one of the schools that I really desired to attend. I needed my father's bicycle to make this journey that took half a day. I had never been out of my village. I did not know how to speak English very well, and this principal was a white man. I had never before met or spoken directly to a white man, so this was an intimidating thought.

Something inside me kept pushing me along and telling me that I should do this, so I set off to visit the principal. As I looked at him I could see that he was quite surprised to see this young boy standing like a soldier in front of him. He had kind eyes, so that gave me courage. I told him that I really wanted to join his school and I would be very happy if he could take me. Then he said, "Well, we'll see when the test results are out." I said, "Thank you, sir." In less than four minutes I was out of the office.

Those four minutes I spent in that office really were the defining moments in my life. I was the only student from my primary school who was selected to one of the best schools in our area. The fact that this good man had given me this opportunity made me grateful, and it inspired me to strive to be the best student in my class.

That opened new opportunities for me to go to another good school and then to prepare for university. My education enabled me to find my wife at university. It enabled me to find a job in the city. While living in Nairobi, we came across a missionary couple that invited us to their home, where they were having meetings with those who are members of the Church. If I had not been in Nairobi at that time, I would never have found the gospel. The fact that I was in a secure job enabled me to serve in the Church.

I testify that education is a key to self-reliance. It will open many avenues for you to be able to provide for yourself temporarily and to become spiritually self-reliant as well.

Back to page 162.



LEARN — Maximum Time: 45 Minutes

TODAY'S DISCUSSION:



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SAVE AND INVEST FOR THE FUTURE



FINANCIAL STEWARDSHIP SUCCESS MAP

Read: When people hear the term *investing*, they may think of a loud and chaotic trading floor with people selling stocks and bonds. While that may be part of investing, **investing** is also the act of putting time, effort, or money into something and expecting some type of a return. In this sense, investing is an element of self-reliance.

In this chapter, you will explore three ways to invest:

1. Save money
2. Pursue home ownership
3. Seek education

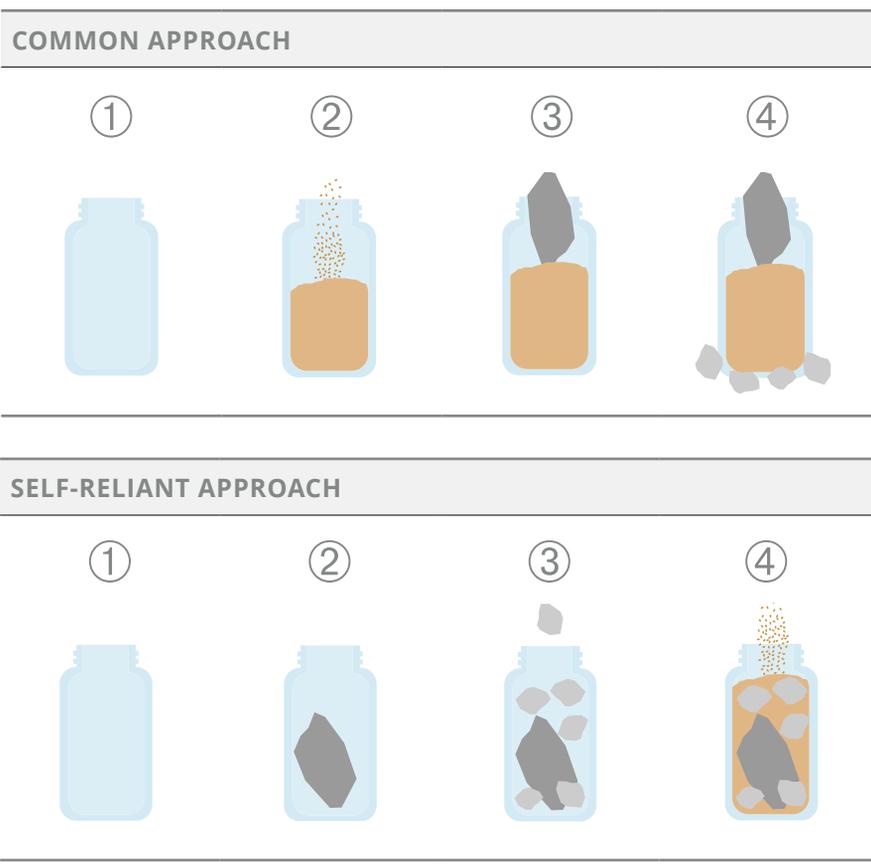
1. SAVE MONEY

Ponder: Take two minutes to think about the following question and write down your thoughts: What would I most like to save up for?

Read: One of the easiest ways to invest is to save money. You have been working to build an emergency fund, starting with one month's worth of expenses and then building up to having three to six months' worth of expenses. Imagine the possibilities if you continue to save even after establishing a strong emergency fund.

Elder L. Tom Perry taught, "Pay yourself a predetermined amount directly into savings. . . . It is amazing to me that so many people work all of their lives for the grocer, the landlord, the power company, the automobile salesman, and the bank, and yet think so little of their own efforts that they pay themselves nothing" ("Becoming Self-Reliant," *Ensign*, Nov. 1991, 66).

As illustrated earlier with the jar example, it is critical to "pay yourself" first by putting money into savings. This will help you build financial security.



Discuss: Take a minute to review the jar example again. What is most meaningful to you about this example? How are you demonstrating faith by taking the self-reliant approach?

2. CONSIDER HOME OWNERSHIP

Read: Buying a home could be another way to invest. Home ownership is not for everyone, however, and often renting may be a better option.

ACTIVITY (10 minutes)

Step 1: Divide into groups of two to three people and spend a few minutes reviewing the positives and negatives listed below of owning versus renting an apartment or home. Also add some of your own ideas to the lists below.

Step 2: Then come back together and discuss the following questions: What did you learn? What additional positives and negatives did you write down?

POSITIVES OF RENTING	NEGATIVES OF RENTING
Lower maintenance costs Easier to move	Do not "own" Rent may increase
_____	_____
_____	_____
_____	_____

POSITIVES OF OWNING	NEGATIVES OF OWNING
House may increase in value (appreciation) You begin to own the home	Maintenance costs May be difficult to sell and move
_____	_____
_____	_____
_____	_____

Read: For those considering home ownership, remember these two principles:

- Buy a home only when and where it makes sense for you.
- Buy only what you can comfortably afford.

Now let's discuss some factors that can influence these principles.

ACTIVITY (5 minutes)

Individually answer the questions below. If you cannot answer yes to these questions, renting in your current situation may be a better option than buying.

DOES IT MAKE MORE SENSE FOR ME TO BUY RATHER THAN RENT?

- Am I free from consumer debt?

- Do I have a 3- to 6-month emergency fund?

- Am I living on a budget and do I know how much of a payment I could comfortably afford?

- Have I saved enough money for a down payment?

- Do I have stable employment?

- Do I plan to own the home for at least 5 years?

- Can I afford the additional costs of maintaining and insuring my home and paying property taxes?

Discuss: Why are these questions important to ask yourself before purchasing a home?

Read: Most people buy a home using a loan called a *mortgage*. This mortgage is debt, and it will cost you interest. You are expected to make the monthly payments and pay back the loan.

For long-term financial stability, your monthly mortgage payment should not exceed 25 percent of your monthly income. Use this as a guide for what you can afford to pay, rather than what a lender is willing to let you borrow.



CALCULATOR ACTIVITY

In the United States, the median household income in 2013 was around \$52,000. What is the most money a family making \$52,000 a year should spend each month on their mortgage payment?

As a group, enter the following information into your calculators. Stop after each step to be sure everyone receives the same answer before moving on to the next step.

STEPS	CALCULATIONS
25% of 52,000 = annual mortgage expense	$.25 \times 52,000 = 13,000$
13,000 divided by 12 months = monthly mortgage expense	$13,000 \div 12 = 1,083$

A family with this income would be wise to ensure that their monthly house payment not exceed \$1,100.

Now, individually or with your spouse (if possible), calculate 25 percent of your monthly income following the steps above. You do not need to share this number with anyone else in the group if you prefer not to. Write your answer here _____.

Discuss: What does it mean to you to purchase a home that you can comfortably afford?

Read: Keep in mind that there are other expenses of home ownership beyond the mortgage. When you own a home, you are responsible for the maintenance. Things break, wear out, and sometimes need updating. Financial advisors generally recommend saving at least 1 percent of the value of your home each year for maintenance.



BONUS CHECKS

Right when we first started learning about financial stewardship, I got a new job that paid quarterly bonuses. With that extra money, we decided to use some of it for savings and the rest for an extra mortgage payment. We did the math, and this extra payment each quarter will save us thousands of dollars in interest!

Get out of Mortgage Debt

Read: As explained previously, a mortgage is a loan—it is debt—and it costs you interest. Reiterating President J. Reuben Clark’s teachings, President Ezra Taft Benson said, “Let every head of household aim to own his [or her] home, free from mortgage” (“Prepare for the Days of Tribulation,” *Ensign*, Nov. 1980, 33). Paying off a mortgage earlier might require some sacrifice, but the faster you pay it off, the more money paid out in interest you save. There are two ways to pay down your mortgage:

- Pay extra
- Structure a shorter-term loan with a lower interest rate

Paying extra toward the principal can save you many years of payments and tens of thousands in interest. For example, if you had a 150,000, 30-year mortgage with a 4.5 percent interest rate, you would pay 123,610 in interest over the life of the loan. Look at the chart below to see how much time and money you can save by paying 100 or 200 extra per month.

	100 EXTRA PER MONTH	200 EXTRA PER MONTH
Time saved	Almost 7 years	Almost 11 years
Money saved	29,715	47,462

Another option to pay off a mortgage more quickly is to get a mortgage with a shorter term. Shorter-term mortgages typically come with lower interest rates. Your monthly payment is higher, but you will save years of payments and thousands in interest.

Let’s compare the same mortgage as before, but this time with a 15-year loan. The original example was a 150,000, 30-year mortgage with a 4.5 percent interest rate. Let’s compare that with a 15-year mortgage with a 3.5 percent rate.

	30-YEAR MORTGAGE	15-YEAR MORTGAGE
Interest rate	4.5%	3.5%
Monthly payment	760	1,072
Total interest paid	123,610	43,018
Time to pay off	30 years	15 years

In this case, a 15-year mortgage means a monthly payment of about 312 more, but it would save you:

- 15 years of mortgage payments.
- Over 80,000 in interest.

Discuss: What would you be willing to give up in order to pay extra on your mortgage or get a shorter-term mortgage to be free from debt sooner?

3. SEEK EDUCATION

Read: Education is another form of investing. Typically, additional training or education will have a cost. If you are going to invest in education, ensure that it will lead to better work so there is a good return on your investment. President Gordon B. Hinckley counseled that the “world will in large measure pay you what it thinks you are worth, and your worth will increase as you gain education and proficiency in your chosen field” (“A Prophet’s Counsel and Prayer for Youth,” *Ensign*, Jan. 2001, 4).

Sometimes it may be appropriate to incur debt to gain education, but there are also many other ways to pay for school. Explore all other options before turning to debt. If you do go into debt for education, strive to pay it off as quickly as possible.

The Education for Better Work self-reliance group may be a great option for you when considering investing in education.

Discuss: How is education an investment in yourself?

DISCUSS SAVING MONEY, PURSUING HOME OWNERSHIP, AND INVESTING IN YOURSELF THROUGH EDUCATION IN YOUR FAMILY COUNCIL

Read: One of your commitments this week will be to discuss saving, home ownership, and investing in your education during family council. Discuss things you would like to save up for, whether you should rent or buy a home (or how you can begin paying down your mortgage), and what educational goals, if any, you should work toward. You may want to use the “Sample Family Council Discussion” outline below.

SAMPLE FAMILY COUNCIL DISCUSSION

Be sure to begin and end with a prayer to invite the Spirit.

Part 1: Review

- What would you like to save up for someday? Review your answer to the ponder question on page 167.
 - What are some of the positives and negatives of owning a home versus renting? Review the activity on page 169.
-

Part 2: Plan

- How can you save for your future wants?
- If you don't currently own a home, should you consider buying a home? Or should you continue renting for the time being?
- If you currently own a home, how can you work to pay down your mortgage faster? Would selling your home and renting for a time be a better fit for your current situation?
- What type of education or additional education, if any, should you invest in for better work?



PONDER—Maximum Time: 5 Minutes

Individually think about what you have learned today and consider what the Lord would have you do. Read the scripture or quote below and write responses to the questions.

“Therefore whosoever heareth these sayings of mine, and doeth them, I will liken him unto a wise man, which built his house upon a rock: And the rain descended, and the floods came, and the winds blew, and beat upon that house; and it fell not: for it was founded upon a rock” (Matthew 7:24–25).

What are the most meaningful things I learned today?

What will I do as a result of what I learned today?



COMMIT—Maximum Time: 10 Minutes

Read each commitment aloud to your action partner. Promise to keep your commitments and then sign below.

MY COMMITMENTS

- Ⓐ I will practice and share this week's My Foundation principle.

- Ⓑ I will continue to put money toward my financial priority.

- Ⓒ I will discuss saving money, renting versus purchasing a home, and investing in education during family council.

- Ⓓ I will contact and support my action partner.

My signature

Action partner's signature

