



## Personal Finance: Another Perspective

# Your Future 2: Decide to Decide

Updated 2017/06/17



# Objectives

A. Take a look back at the class – our key “take aways”

B. Understand the key decisions you should make to be truly successful in life

C. Review a list of recommended readings for further information on personal finance



## A. A Look Back at the Class

- Personal finance is simply the temporal application of eternal principles. Key are:
  - *Doctrines*: An increased understanding of the doctrines or “whys” of Finance help guide us know what we should be doing
  - *Principles*: An increased understanding of the principles or “whats,” the foundation on which those doctrines are based
  - *Application*: A greater appreciation of creation process and the “hows,” or how we apply the things learned to best move forward in our lives to accomplish spiritual, family and financial success.



## A Look Back (continued)

- Doctrines
  - We shared the four key doctrines of personal finance that are important for us to remember. The purpose of personal finance (and everything else, for that matter) are (from four different perspectives):
    - Spiritual. To bring us to Christ
    - Temporal. To help us accomplish our divine missions
    - Family. To help us return with our families back to Heavenly Father's presence
    - Individual. To help us become wiser stewards over the blessings God has shared with us



## A Look Back (continued)

- Principles
  - We discussed the four key principles of personal finance on which the doctrines are based, namely:
    - Ownership. None of what we have is ours
    - Stewardship. We are stewards over all God has shared with us
    - Agency. The right to choose is one of God's greatest gifts to each of us
    - Accountability. We will be held accountable for every decision we make, including our financial decisions



## A Look Back (continued)

- Application
  - We shared the most important parts of the creative process on how we change to become better. It is:
    - Vision. What is your vision for yourself and your life? What would you like to accomplish in your lifetime? What do you hope to have accomplished when you have completed your life? How does Heavenly Father see you?
    - Goals. What goals will take you to your vision? What goals should you have? What goals are you willing to work toward?
    - Plans. What are your plans for achieving your goals? What must you do to achieve your vision?



## A Look Back (continued)

- We shared ideas and experiences on how you can apply the things learned in this class, how you can create your vision and then become it
  - You have followed the words of a prophet who said "Plan your financial future early, then live your plan" (Ezra Taft Benson, "To the Elderly in the Church, Ensign, Nov. 1989, p. 4).
    - You have done that with your PFP, the "spiritual creation"
      - Now is the hard work, to take your Plan and make your "physical creation" a reality



# Keys to Financial Success

- Your Personal Financial Plan includes your:
  - Vision, Goals and Goal Plan
  - Budgeting Plan and Strategy
  - Debt and Debt Reduction Strategy
  - Cash Management Strategy
  - Credit Use and Strategy
  - Home and Auto Strategy
  - Insurance Plan
  - Investment Plan
  - Retirement Plan
  - Mission and Education Plan
  - Giving Plan



## Financial Success (continued)

- What is critical for you to become truly rich?
  - You have your priorities in order
    - You have the hope in Christ first, and then they seek riches—if they desire them (Jacob 2:18-19)
  - You understand what is important in (eternal) life
    - You work accordingly (Matt 16:26)
  - You think long-term (D&C 43:34) and follow the commandments of Jesus Christ
    - You know that commandments are protective—not restrictive
  - You live like millionaires
    - You practice discipline, charity, and frugality



## Financial Success (continued)

- Why discipline, charity, and frugality?
  - You spend less on what you don't need
  - Your money goes farther—you use it only for your personal and family goals
  - You say “no” to the current desire to spend for your bigger “yes” in the future, your goals
  - You realize that money and what it buys is not happiness, but security.
  - You find happiness where it can be found, in service to your family and others
  - You take responsibility for your personal financial choices, success and self-reliance



## B. Understand the Key Decisions in Life You Should Make

- President Kimball said:
  - We hope we can help our young men and young women to realize, even sooner than they do now, that they need to make *certain* decisions only *once*. ... We can push some things away from us once and have done with them! We can make a single decision about certain things that we will incorporate in our lives and then make them ours—without having to brood and re-decide a hundred times what it is we will do and what we will not do. ... My young brothers [and sisters], if you have not done so yet, *decide to decide!* (*Ensign*, May 1976, p. 46; italics added.)
- What are the decisions you should take from this class?



## Key Decisions (continued)

- It is not enough to know what to do. You must do it!
  - How do we get ourselves to do what we know we should do?
    - And thus ye shall become instructed in the law of my church, and be sanctified by that which ye have received, *and ye shall bind yourselves to act* in all holiness before me (italics added, D&C 43: 9).
  - How do we bind ourselves to act?



# 1. Decide to Believe

- I believe in God and myself
  - God is very interested in you as an individual, that he has a plan and a mission for you, and is anxious for you to succeed. He has provided in the gospel of his Son, the pattern for ultimate success in our lives
    - When our lives are consistent with His gospel, we receive confidence through His Spirit to meet the challenges of each day (D&C 121:45). We can say with Nephi:
      - The Lord is able to do all things according to his will, for the children of men, if it so be that they exercise faith in him. . .Wherefore, let us be faithful to him (1 Nephi 7:12).



## 2. Decide to Learn

- I will make learning a lifelong commitment
  - Gain temporal knowledge as it makes it easier to avoid the financial pitfalls and money surprises
  - Gain spiritual knowledge as it helps you know what is important in life and how to keep your priorities in order
  - Plan for a lifetime of learning
    - Reinvent and upgrade your skills daily
      - The only true insurance you have is your ability to continue to improve yourself and your job skills
    - Set time aside each day to read and to learn both spiritually and temporally



### 3. Decide to Work

- I will work both hard and smart
  - Decide now to work hard and smart, to work as hard and as efficiently as you can, and to pray for Father's help as you work that you will do the right things and in the right way. Elder Rex D. Pinegar said:
    - If you and I are to reach the summit of our divine potential, we must work each step of the way. The path may be rugged, difficult, unheralded; but it can be successfully climbed if we are willing to work with all our strength and commitment (“Decide to Decide,” *Ensign*, Nov. 1980, 71).



## 4. Decide to Set and Achieve Goals

- I will set and achieve my goals
  - President Kimball counseled:
    - It is most appropriate . . . to quietly, and with determination, set some serious personal goals in which they will seek to improve by selecting certain things that they will accomplish within a specified period of time (*Ensign*, May 1976, p. 46).
      - Set goals with the Lord's help, and seek the Lord's help to achieve them, and you will, with the Lord's help, achieve them
      - Remember your Giving Plan as you work toward your goals



## 5. Decide to Budget

- I will live on a budget
  - President Kimball stated:
    - Every family should have a budget. Why, we would not think of going one day without a budget in this Church or our businesses. We have to know approximately what we may receive, and we certainly must know what we are going to spend. And one of the successes of the Church would have to be that the Brethren watch these things very carefully, and we do not spend that which we do not have (inside pamphlet cover, Marvin J. Ashton, One for the Money, 1992).



## 6. Decide to Protect Yourself

- I will protect my family and myself
  - Utilize insurance for those you love and yourself
    - Your best insurance is the protection that comes from obedience to the Lord's commandments
  - Decide now to protect yourself and your stuff
    - Have sufficient insurance
      - Health insurance – a necessity
      - Life insurance – a necessity if you have dependents
      - Home and auto insurance – a necessity
      - Liability coverage – too little can ruin your financial future



## 7. Decide to Save and Invest Wisely

- I will pay the Lord first, myself second, and then I will invest my money wisely
  - Pay the Lord first
    - Pay first your most important debt to God
    - Remember the source of all your blessings
  - Pay yourself second
    - Savings isn't what's left over at the end of the month, it's the 20% or more that you pay yourself right after you pay the Lord
      - Then invest that money wisely



# Invest Wisely: The Hourglass Top

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1. Are your priorities in order and are you “square” with the Lord?
  2. Do you have adequate life and health insurance?
  3. Are you out of credit card and consumer debt?
  4. Do you know your personal goals, are you living on a budget, and do have a well written investment plan?

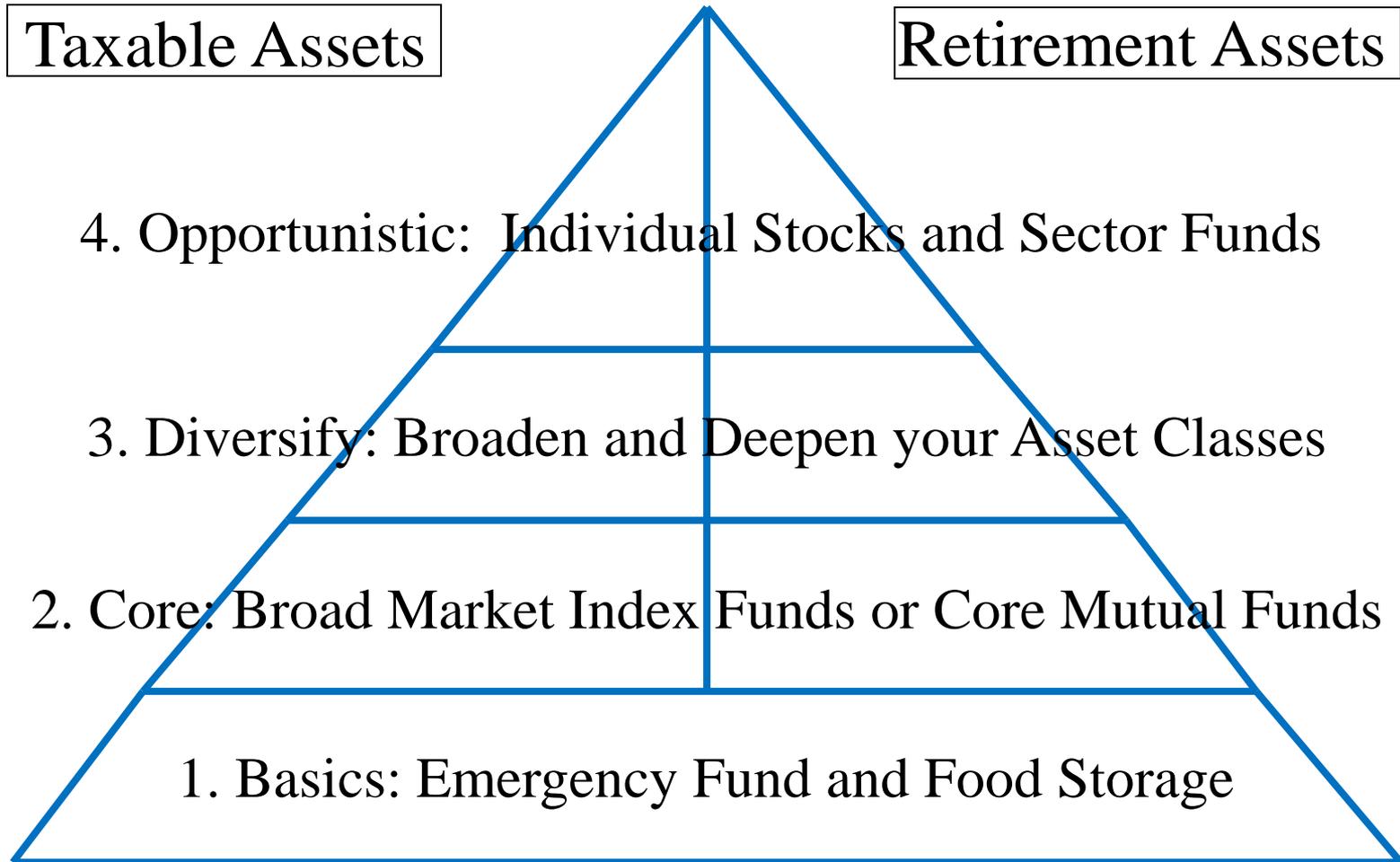
If you can answer these affirmatively, you are ready to invest!<sup>20</sup>



# Invest Wisely: the Hourglass Bottom

Taxable Assets

Retirement Assets





## 8. Decide to Give

- I will continue to give
  - Some say when they are rich they will give more and serve more. Of this Moroni said:
    - And now, I, Moroni, would speak somewhat concerning these things; I would show unto the world that faith is things which are hoped for and not seen; wherefore, dispute not because ye see not, for ye receive no witness until after the trial of your faith (Ether 12:6).
  - And from the uninspired book of Bryan:
    - Think about giving in percentage terms. That way, no matter what your income, you will not change your giving (except to give more)



## 9. Decide to Remember

- I will remember the source of my blessings
  - Remember the principles on which our Perspective is based
  - Principle 1: Ownership
    - The things we have or will have are not ours. They are on loan from a loving Father in Heaven
      - There should be no feeling of pride for the things we have, for they are not ours but God's
        - These loaned blessings should encourage us to greater obedience as we realize they are gifts from a loving Father in Heaven and we thank Him through obedience



## Decide to Remember (continued)

- Principle 2: Stewardship
  - We are stewards over all that the Lord has or will share with us. “For it is required of the Lord, at the hand of every steward, to render an account of his stewardship, both in time and in eternity” (D&C 72:3).
    - There should be no feelings of pride for the things that we have, as we are but stewards over these blessings
      - We should feel humble as we try to learn as much as we can so that we can be the best stewards possible for our Heavenly Father



## Decide to Remember (continued)

- Principle 3: Agency
  - We were given our agency by a loving Father in Heaven. President Marion G. Romney said:
    - “Agency means the freedom and power to choose and act. Next to life itself, it is man’s most precious inheritance” (*Ensign*, May 1976, p. 120).
      - There should be no feelings of pride for this ability to make decisions.
        - Rather, we should do all that we can to thank a loving Father and Son for this wonderful right to choose and then we should use that agency as wisely as we possibly can.



## Decide to Remember (continued)

- Principle 4: Accountability
  - We have been blessed with the gift of “choice,” but we will be held accountable for its use. The Lord counseled the prophet Joseph Smith: “Verily I say, men should be anxiously engaged in a good cause. For the power is in them, wherein they are agents unto themselves (D&C 58: 27-28)
    - There should be no feelings of pride for our ability to make choices
      - Rather, we should be the wisest agents we can be. Then, our final gift to God can be the gift of having our wills swallowed up in His, the one gift that is truly ours to give



## 10. Decide to Decide

- I will live the gospel of Jesus Christ
  - You have done much this semester. You have developed good habits which will lead you to financial self-reliance and independence
    - Decide to keep these good habits for the rest of your life!
  - Elder Rex D. Pinegar said:
    - You, our beloved young men and women, are in the most critical period of life. Youth is the time when habits are formed, when ideas are adopted. It is the time of decision. Decide today to heed these words of our prophet: “Decide to decide!” (“Decide to Decide,” *Ensign*, Nov. 1980, 71).



## Decide to Decide (continued)

- Following Christ is critical
  - It will make all the difference in your life
  - Remember the “whys” of personal finance
- Become financially self-reliant
  - Start Saving NOW and let time work for you
- Pray, plan and work for true success
  - My father came and spoke to my class. He gave, what I consider, the best advice when he said:
    - The key to life is to live like our Savior and to obey the commandments of God. If you will do this, you will have the Spirit. And if you have the Spirit, you will be successful



## Decide to Decide (continued)

- Elder Dallin H. Oaks said:
  - Some people live the gospel with “short, frenzied outbursts of emotion,” followed by long periods of lapse or by performance that is intermittent or sputtering. What we need in living the gospel is “the tranquil and steady dedication of a lifetime” (Dallin H. Oaks, “The Dedication of a Lifetime,” CES Fireside, Oakland, California, May 1, 2005).
- What does it mean, “the tranquil and steady dedication of a lifetime?”



## Decide to Decide (continued)

- He further stated:
  - It means to be a 100 percent Latter-day Saint, 100 percent of the time. It means to follow the direction King Benjamin gave to his people: “I would that ye should be steadfast and immovable, always abounding in good works, that Christ, the Lord God Omnipotent, may seal you his” (Mosiah 5:15). It means to follow the plea Father Lehi gave to a wavering son: “O that thou mightest be like unto this valley, firm and steadfast, and immovable in keeping the commandments of the Lord! (1 Nephi 2:10) (Dallin H. Oaks, The Dedication of a Lifetime, CES Fireside, Oakland, California, May 1, 2005).



## Decide to Decide (continued)

- He concluded:
  - The “dedication of a lifetime” requires one to be tranquil and steady, steadfast and immovable. That is our standard and our goal. This steadfast standard requires us to avoid extremes. Our performance should be the steady 100 percent of a committed servant, not the frenzied and occasional 120 percent of the fanatic (Dallin H. Oaks, The Dedication of a Lifetime, CES Fireside, Oakland, California, May 1, 2005).



# Questions

Any questions on why it is so critical to decide to decide now?



## C. Recommended Readings List for Personal Finance

- Following are a list of recommended readings that may be helpful on your stewardship quest for greater financial understanding.
- General Finance
  - George S. Clayson, Richest Man in Babylon, Signet Press, USA, 1955.
  - Napoleon Hill, Think and Grow Rich, Random House Publishing, New York, 1960.
  - Richard Paul Evans, The Five Lessons a Millionaire Taught Me, Arcadia Press, Salt Lake, 2004.
  - Thomas Stanley and William Danko, The Millionaire Next Door, Pocket Books, New York, 1996.



## Readings List (continued)

- David Bach, The Automatic Millionaire: A Powerful One-step Plan to Live and Finish Rich, Broadway Books, USA, 2004.
- Investing in General
  - John C. Bogle, The Little Book of Common Sense Investing, Wiley, 2007.
  - William Bernstein, Four Pillars of Investing: Lessons for Building a Winning Portfolio, McGraw-Hill, New York, 2002.
  - Tim Sanders, Love is a Killer App: How to Win Business and Influence Friends, Three Rivers Press, New York, 2002.



## Recommended Readings (continued)

- General Budgeting
  - Dave Ramsey, The Total Money Makeover: A Proven Plan for Financial Fitness, book and workbook, Thomas Nelson, Inc., Nashville Tennessee, 2003.
  - James Christensen and Clint Combs, Rich on Any Income: the Easy Budgeting System that Fits in Your Checkbook, Shadow Mountain, USA, 1985.
  - Steven B. Smith, Money for Life: Budgeting Success and Financial Fitness in Just 12 Weeks, Dearborn, USA, 2004.



## Recommended Readings (continued)

- Marriage and Money
  - Jeff Hill and Bryan Sudweeks, “Fundamentals of Family Finance: Living Joyfully within your Means,” BYU Publishing, 2016.
  - Bernard E. Poduska, Love and Money: How to Share the Same Checkbook and Still Love Each Other, Deseret Book Company, USA, 1995.
- Teaching Children about Money
  - Dave Ramsey, Financial Peace Jr.: Teaching Kids About Money!: Cool Tools for Training Tomorrow’s Millionaires, Lampo Group, USA, 2003.



# Review of Objectives

- A. Do you understand a look back on the class?
- B. Do you understand the key decisions you must make to become truly successful in life?
- C. Do you understand my suggestions for a few recommended readings for further information on personal finance?