

\$UPER \$AVINGS

PART ONE



WISDOM WITH WEALTH

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\$UPER \$AVINGS

PART ONE

Once you get money (*after* you have paid taxes) there are only three things you can do with it: Spend it, give it away, or save it. This study guide is all about saving.

First of all, let me say that saving would be much easier if we knew the future. The problem is we don't. We don't even know what will happen tomorrow. In this study guide we address four, basic questions on saving money. The first three are fairly simple, but then it gets more complicated, and we deal with the fifth question in the next study guide.

1 SHOULD **YOU** SAVE MONEY?

2 WHY SHOULD YOU SAVE MONEY?

3 WHEN SHOULD YOU SAVE MONEY?

4 HOW SHOULD YOU SAVE MONEY?

5 WHERE SHOULD YOU **STORE** MONEY?

1

SHOULD YOU SAVE MONEY?

It depends on your future. If you plan to live past today then you should probably save something for your future. Also, if you have loved ones (e.g. young children) whom you are supporting, and you expect them live past today, then you should save something for their future.



2

WHY SHOULD YOU SAVE MONEY?

Economic conditions are not always the same. There are periods of abundance and times of scarcity. Food does not grow in the winter, but you still need to eat, and perhaps even more during the cold weather months. The Bible encourages us to store supplies during times of plenty, just like the tiny ants, throughout the summer months. Prudent saving is one of the essentials to financial survival. Check out this important link to get the message clearly: [What are two essentials for financial survival?](#)



3

WHEN SHOULD YOU SAVE MONEY?

Obviously, you must save money before you spend it. Save whenever you can—whenever you have some excess. Waste not, want not. Spend as little as necessary. Before you know when or how much to save you should first know about how much you *need* to (not *want* to) consume. The amount you can save changes. Some years are fat and some are thin. Sometimes we can save much and at other times hardly anything. It is best to try to save something from every paycheck, even if very little. You save a lot by saving a little at a time. Check out this secret to successful saving: [How can you save a lot?](#)

Although most people overspend and under-save sometimes people under-spend and over-save. Read a sad story about a bag lady in Montreal who died of saving sickness: [What is the most important use of our money?](#)

Accident

Death

Illness

Flooding

Injury

Job Loss

Fire

Emergency

Rainy
Day
Funds

4

HOW SHOULD YOU SAVE MONEY?

How should you save money? There are two tactics: Pre-spending (off the top) and smart spending (from the bottom). The first has two strategies: save a fixed percentage or a fixed amount. It is based on a premeditated choice, a specific decision to set some money aside before any spending begins. The second strategy is really a decision to be thrifty. When spending your money you are trying to get the the best buy. You want the best “bang for the buck.”

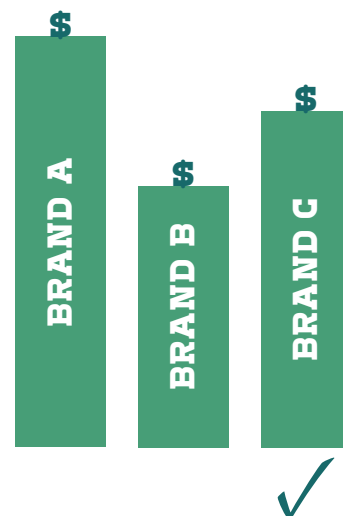
OFF THE TOP

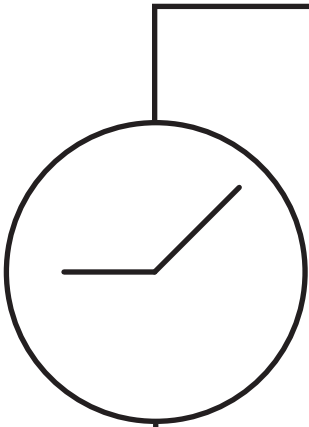
Based on a fixed percentage or an absolute amount. In the Bible, Genesis 41:34, we read about Joseph saving 20% of total income during the seven years of plenty to prepare for the seven years of famine. Twenty percent off the top—when you can afford it—may be the optimal savings rate. More may be uncomfortable and less insufficient. We could argue about the rate, but the point is that the savings is regular, consistent, and disciplined. The percentage system has one big advantage: It’s simple and flexes with income. Similarly, the Bible speaks of tithing in Genesis 28:22. Tithing really means “tenthing” on income. Alternately, you could save a fixed amount say \$10 or \$100 or \$1,000 per week depending upon income. It is simple but not flexible.

Both of these are pre-spending, off-the-top saving; you save before you spend anything. The common expression is pay yourself first. Time your savings properly. If you are paid twice a month, then save twice a month.

FROM THE BOTTOM

Being frugal: Spend smart. You’ve made a decision to buy and now it’s just a matter of prudent purchasing. Try to spend less than you had planned while not sacrificing quality. It’s all about thrift and frugality. It is a learned skill that comes with practice, trial and error. You don’t teach a kid to ride a bike at a weekend seminar. The goal is to consume the right quantity and quality at the right time.





living below your means

Believe it or not but it's best to start with food. Don't eat too much or too little. Don't eat too often or too seldom. The body is designed to operate best with a certain amount of food at certain intervals. Here's how Jesus describes it: "Who then is the faithful and sensible steward, whom his master will put in charge of his servants, to give them their rations at the proper time?" Luke 12:42. I don't like the word "rations." Let's look at other translations:

- Give them their (1) food allowance at (2) the proper time. (New International Version)
- Give them their (1) portion of food at (2) the proper time (English Standard Version)
- Give *them* the (1) measure of food (2) in season. (Berean Literal Bible)
- Give them their (1) portion of food at the (2) right times. (World English Bible)
- Give them their (1) portion of food (2) in due season. (Jubilee Bible 2000)
- Giving all his other servants their (1) share of food at (2) the right time. (International Standard Version.)
- Give them their (1) allotted food at (2) the proper time. (Holman Christian Standard Bible)

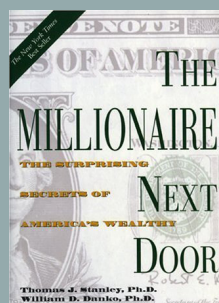
It's not just the quantity and timing of the meals. We also have to eat wisely by not indulging expensive tastes, at least not too often. It means living *below* your means.

With a little study of the text, the message becomes crystal clear. Proper consumption means the right amount and the right time. It's simple: Consuming too much or too little causes problems, and consuming too often or too seldom also causes problems. Either extreme causes trouble. What we need is self-control. That's easy to say, but hard to do—**what is the key to saving money?**

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In their New York Times best seller, *The Millionaire Next Door*, Drs. Thomas J. Stanley and William D. Danko described the lifestyle of over 1,000 high-net-worth North Americans. They boiled down their massive research into seven, common denominators among those who successfully build wealth. The first on the list was this: They live *well below* their means. Generally, millionaires don't drive new cars; most purchase used. They are frugal.

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“ What have we discovered in all of our research? Mainly, that building wealth takes, discipline, sacrifice and hard work. ”

Dr. Thomas J. Stanley and Dr. William D. Danko, P5.



The major factor in HOW to save, is not earning more, but spending less.

The word *discipline* is important since that is the exact word used in Proverbs where a lack of discipline is identified as the root cause of both poverty and shame. “Poverty and shame will come to him who neglects discipline, but he who regards reproof will be honored.” Study this text in detail with this question: **What will keep us from financial and personal disgrace?**

The more you live below your means, the more you humble yourself, the more margin you will create. So the major factor in HOW to save, is not earning more, but spending less. It’s simple, but not easy—especially in our consumption-driven society where citizens are called consumers. It seems somewhat degrading to call the ordinary person a “consumer” not a producer, or a saver, or even a citizen. Consume. That’s what babies do! But to shed the consumer label, we need to change our spending habits. We need to learn self-control. And we need to ask ourselves **what should all consumers get?**

Self-control does not come naturally. It is a spiritual thing, which comes from the Spirit of God and produces good results. In contrast, excess or inappropriate consumption always brings unintended consequences including poverty. **How does self-control bring financial success?**

Assuming you manage to avoid poverty and save some money, where should you store it? Before we deal with that question, let’s first be aware of one common pitfall with financial savings: Putting too much confidence in our wealth. So **what is the biggest money mistake?**

In summary, we have looked at why, when, and how to save money. Saving makes sense only for those who have an eye toward the future. Like any skill it must be practiced regularly; it improves with practice. We should always be saving some of our income. Saving is done best before the spending starts, and while the spending continues.

Now the question becomes, where should we store our savings? Refer to Super Savings Study Guide Part 2.