



FOR THE LOVE OF MONEY

Biblical Lessons on Personal Finance

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SESSION 5

CONSIDER THE ANT

Real Ways to Save

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Saving the Crumbs

SAVINGTHECRUMBS.COM

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AudioVerse.org

Download. Uplift. Outreach.

GYC 2015
“BEYOND THE TITHE”

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Go to the ant, thou sluggard; consider her ways,
and be wise: Which having no guide, overseer, or
ruler, Provideth her meat in the summer, and
gathereth her food in the harvest.

—Proverbs 6:6-8

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Many despise economy, confounding it with
stinginess and narrowness. But economy is
consistent with the broadest liberality. **Indeed,
without economy, there can be no
true liberality. We are to save, that
we may give.**

—The Ministry of Healing, 206.2

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20%



Theodore Johnson[®]

\$14,000

7



20%

\$70 MILLION

8



20%

\$70 MILLION

\$36 MILLION

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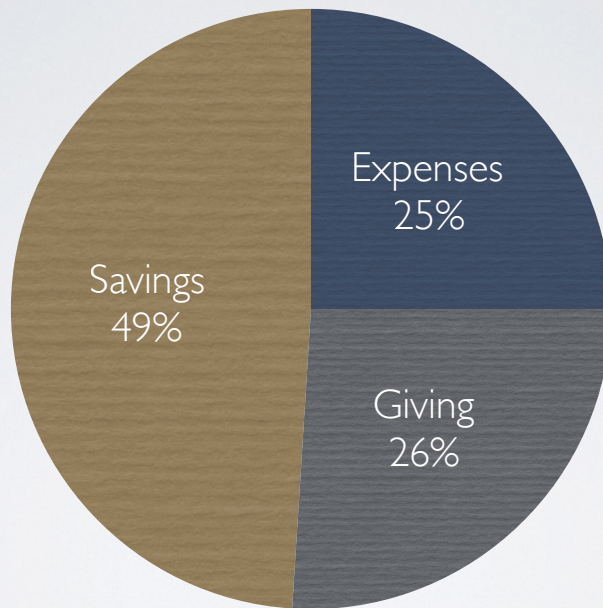
THEODORE JOHNSON



- Lived within his means
- Saved 20% regularly
- Invested consistently
- Gave generously

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OUR NUMBERS



2016

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MAXIMIZING THE EFFORT

- Be willing to change our behavior and lifestyle, but **realize that likelihood of success is greater the less lifestyle adjustments are required.**
- Focus where we get the most return for the least effort
- Create detailed monthly spending plan
- Start with the **Big** and **Recurring** costs

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BIG & RECURRING COSTS

Expense	Typical Monthly Cost	Our Average
Rent/Mortgage	\$1,200	\$0*
Utilities	\$200	\$10*
Auto (2 Cars)	\$1,000	\$24
Cellphone (2 iPhones)	\$120	\$40
Total	\$2,520	\$74

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BIG & RECURRING COSTS

Expense	Typical Cost	Our Average
Monthly Total	\$2,520	\$74
Annual Total	\$30,240	\$888
Difference		\$29,352

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HOUSING

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THE LAW OF EMPTY SPACE

Whatever space we have, we will fill.

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THE LAW OF EMPTY SPACE

Whatever space we have, we will fill.

Shrink your space, shrink your spending.

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THE LAW OF EMPTY SPACE

Whatever space we have, we will fill.

Shrink your space, shrink your spending.

Home ownership correlates with lifestyle inflation.

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LIFESTYLE INFLATION

10'x16' of Too-Much-Stuff

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SAVING ON HOUSING

- Choose smaller housing to stall lifestyle inflation
- If renting: Consider a roommate
- If owning: Pay off mortgage early, rent out part of your house
- #1 area to save if you have massive debt to pay off
- Have an emergency fund to allow for higher deductible on insurance policy

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ENERGY

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SAVE ON ENERGY

- Focus on the Big Four Culprits
 1. Air Conditioning & Heating
 2. Hot Water Heater
 3. Clothes Dryer
 4. Lighting

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OUR UTILITY PAYS US

Solar Panels + Energy Efficiency

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SAVE ON ENERGY

1. A/C & Heating

- Insulate!
- Southern exposure

2. Hot Water Heater

- Low-flow Shower-heads (x2 win)

3. Clothes Dryer

- Hang-dry
- HE Washer

4. Lighting

- LED Bulbs

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TRANSPORTATION

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THE BASICS

- DRIVE LESS! (Shorten the commute, consolidate trips to town, etc.)
- A car is a transportation tool, NOT an appreciating asset.
- The more car you own, the less wealth you'll build.

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OWN AS LITTLE CAR AS YOU NEED

- 2 Cars better than 3 Cars. 1 Car better than 2 Cars. 0 Car better than 1 Car.
- Slightly used is better than new
- Smaller is better than bigger
- MPG is better than HP
- Carpool, bike, walk, public transport
- Uber & Lyft prudently



COST TO OWN: NOT JUST GAS

Honda Accord EX-LV6	2017	2012
Cash Price	\$32,500	\$14,000
Miles Driven/Year	15,000	15,000
Edmunds True 5 Year Cost to Own	\$38,982	\$28,787
Cost per Mile	\$0.52	\$0.38

2012 ACCORD VS. 2017 ACCORD

25% Less Cost to Operate

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2012 ACCORD VS. 2017 ACCORD

25% Less Cost to Operate

\$10,000 savings in just the first 5 years!

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TRUE COST TO OWN: 2017 HONDA ACCORD

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Yr Total
Depreciation	\$6,630	\$2,920	\$2,568	\$2,275	\$2,040	\$16,433
Taxes & Fees	\$2,853	\$24	\$24	\$24	\$24	\$2,949
Financing	\$1,340	\$1,071	\$787	\$489	\$176	\$3,863
Fuel	\$1,302	\$1,341	\$1,381	\$1,423	\$1,465	\$6,912
Insurance	\$739	\$765	\$792	\$819	\$848	\$3,963
Maintenance	\$183	\$558	\$376	\$1,298	\$1,835	\$4,250
Repairs	\$0	\$0	\$88	\$213	\$311	\$612
TCO	\$13,047	\$6,679	\$6,016	\$6,541	\$6,699	\$38,982

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TRUE COST TO OWN: 2012 HONDA ACCORD

	Year 1	Year 2	Year 3	Year 4	Year 5	5 Yr Total
Depreciation	\$3,312	\$1,291	\$1,135	\$1,007	\$903	\$7,648
Taxes & Fees	\$1,247	\$24	\$24	\$24	\$24	\$1,343
Financing	\$577	\$461	\$339	\$211	\$75	\$1,663
Fuel	\$1,356	\$1,397	\$1,439	\$1,482	\$1,526	\$7,200
Insurance	\$656	\$676	\$696	\$717	\$738	\$3,483
Maintenance	\$562	\$667	\$207	\$2,532	\$1,213	\$5,181
Repairs	\$327	\$381	\$443	\$517	\$601	\$2,269
TCO	\$8,037	\$4,897	\$4,283	\$6,490	\$5,080	\$28,787

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HOME & AUTO INSURANCE

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PROPERTY INSURANCE

- Primarily insures against damage/destruction of the structure and valuables.
- Secondarily for liability on the premises.
- Having adequate emergency funds allows for higher deductible on the policy, reducing the monthly premiums.
- Bundle home and auto policies together to save.

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AUTO INSURANCE

- Primarily insuring for the liability of the driver. (Why it's required!)
- Secondly for damage/destruction of the vehicle. (Collision/comprehensive coverage, might be optional)
- Emergency funds allows for higher deductible on comprehensive/collision, reducing the monthly premiums.
- Driving a older/cheaper car reduces the need for collision/comprehensive.

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AUTO INSURANCE

Geico Quote	2002 Honda Accord \$2,500 KBB	2017 Honda Accord \$32,500 KBB
Liability Only	\$35/month \$420/year	<i>Not permitted if leased or financed</i>
Collision/ Comprehensive Coverage	\$70/month \$840/year	\$100/month \$1200/year

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CELLPHONES

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BUY USED



glyde

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FreedomPop



cricketTM
wireless

GO PREPAID

ting

republic
WIRELESS

 **boostmobile**TM

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OTHER RECURRING EXPENSES

- Eliminate all interest payments (Pay them off!)
- Eliminate all unused subscriptions (Music, TV, software, gym memberships, etc.)
- Ignore marketing trick of monthly installment prices, look at total cost. (i.e. Only \$50/month!)
- Use Discount Gift Cards (i.e. Cardpool, Raise, etc.)
- Use Online e-rebates (TopCashBack, eBates, etc.)

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SOCIAL MEDIA

Stop Following Your Friends

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SOCIAL MEDIA = ADVERTISING

- Facebook influences 52% of consumers' online and off-line purchases. (2015)
- Social media advertising budgets have doubled worldwide from \$16 billion in 2014 to \$31 billion in 2016, and to increase 26.3% in 2017.
- Over 90% of advertisers and agencies plan to run Facebook video ads in 2017.

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SOCIAL MEDIA = ADVERTISING

Peer pressure has always been a powerful influencing factor when it comes to making purchases. Social networks aimed at our personal lives rather than our professional lives are translating this online. Retailers need to ensure that social media is integrated throughout the entire customer journey and that they manage their social channels to **make a real impact on purchase behaviour.**

—Jim Herbert, managing partner of DigitasLBi Commerce
<http://www.thedrum.com/news/2015/04/24/facebook-influences-over-half-shoppers-says-digitaslbi-s-connected-commerce-report>

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It is not best to pretend to be rich, or anything above what we are—humble followers of the meek and lowly Saviour. **We are not to feel disturbed if our neighbors build and furnish their houses in a manner that we are not authorized to follow.** How must Jesus look upon our selfish provision for the indulgence of appetite, to please our guests [*social media followers?*], or to gratify our own inclination! It is a snare to us to aim at making a display or to allow our children, under our control, to do so.

—Adventist Home, 384.2

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Remove far from me falsehood and lying;
**give me neither poverty nor riches;
feed me with the food that is needful
for me,** lest I be full and deny you and say, "Who
is the LORD?" or lest I be poor and steal and
profane the name of my God.

—Proverbs 30:8-9

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For **the love of money is the root of
all evil:** which while some coveted after, they
have erred from the faith, and pierced
themselves through with many sorrows.

—1 Timothy 6:10

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