

# The Management Principle of Saving



***“The wise man saves for the future, but the foolish man spends whatever he gets.” Proverbs 21:20***

*Underline the key concepts found in this principle.*

Years ago it was foolish to be known as a spender. ‘A penny saved is a penny earned’ was a common saying. People only bought when they had the money, they saved for emergencies and made sure they had some left for their children. A person’s character was judged by their ability to save and to protect a set of values whether it was money, products, or morals. People understood the wisdom of saving for the future.

Today the principle of saving has almost been wiped out due to consumerism. We are programmed to think “if I want it I’ll get it. I deserve it now so even though I don’t have the money I’ll charge it and make those easy monthly payments”. Advertising manipulates us by creating imagined needs that don’t exist. It is easy to obtain loans and we are bombarded with pre-authorized credit cards, 6 months no interest and many other offers. They barely mention that after the trial period interest rates will increase dramatically. So we spend not only what we have but also what we don’t have trying to satisfy ourselves and keep up with everyone else. We end up in payment plans that are almost impossible for us to get out of for years to come, causing hardships that can destroy our marriages and our health. Credit cards can be a good thing but the key is to manage them properly with discipline and restraint.

Those who are wise, save and build for the future, they plan and spend wisely. They don’t just have a savings account, but they invest in property, buildings and personal business ventures. Cash on its own diminishes, so it is

better to replaced it with something of value. They will also invest in other businesses because they believe in people and are willing to share the risk with them. They are careful to not just consume, but to also save and invest. When the economy is not thriving savers have fewer difficulties. They are at peace with themselves, their credit cards, and with the bank.

## **BENEFITS**

1. Saving develops patience, determination and persistence while waiting to make our purchases.
2. Saving gives us time to think about the quality of our purchases and to shop around for the best value. The discipline of saving also avoids impulse buying and buyer’s remorse.
3. We appreciate the things we have and seek to preserve them to make them last longer.
4. We are more grateful for what do have and less anxious to buy more.
5. We evaluate our true needs, separating them from our wants, and then we are better able to prioritize them.
6. We stick to our budget.
7. We eliminate waste by repairing rather than throwing things away.
8. We are at peace because we have money saved for emergencies.
9. We plan ahead and are prepared for the future.

# Action Plan for Saving



Developing the habit of saving brings great value. It is not wrong for us to think of what we would like to have if we are controlled by a set of values.

## STEPS TO FOLLOW

1. Create a budget and follow it. Your real salary is what you are able to save monthly; the rest is your expenses.
2. Before buying anything we should ask these four questions:
  - Do I need it?
  - Can I afford it?
  - Why do I want it?
  - When do I need to have this?
3. Live within your means.
4. Don't buy things until you can pay for them in full.
5. Have long range goals for your money and budget for them.
6. Train your children to save.
7. Avoid using your credit card unless you can pay off the total every month.

If our country had been practicing this principle of saving and spending wisely, and we would not be plagued with a debt of trillions of dollars now. There is a way that is right and that works, not only for individuals but also for government and for our country.

Being wise with our money and planning ahead brings peace to our families. It takes pressure and frustration out of our lives for

us, our children and our grandchildren as well. They will in turn thank us for being good examples and showing them a better way to live.

Sooner or later we will have to learn to use some common sense and live by principles and proper values. If we don't choose to do it now, we will shortly be forced to. Let's not be foolish but sensible, learning how to save for the future.

**Remember... thoughts produce actions, actions become habits, habits form our character, and character determines our destiny!**

## REFLECT AND RESPOND

Do you tend to be a saver or a spender?

How has your future been impacted by your actions?

Have you planned for your future?

Evaluate yourself from 1 to 10	1	2	3	4	5	6	7	8	9	10
Why did you give yourself this rating										
What benefits will you obtain by raising your rating?										
What specific action can you put into practice to test the benefits of this principle?										
Check list for the daily reading of this principle	M	T	W	T	F	S	S			

Completed

Not completed