

DEVELOPING A SAVER'S ATTITUDE

Set limits

This includes "budgeting"—the second most dreaded word after "dieting." However, like dieting, you'll be glad when you see the results! Set a limit **before** you go shopping by deciding what you are willing to pay for an item of clothing or a new appliance. Your limits should be based on the requirements of your profession as well as your financial ability. For example, an executive may regularly need to buy a new suit, since it is his/her uniform. However, people who don't need to dress up for work should not waste their money buying lots of dressy clothes.

Purchase cheaper substitutes

Have you ever compared name-brand canned food with the "generic" store brand? You may be surprised to learn that they are often manufactured by the same company. The only difference is the labels on the cans and the significant difference in price. Buying in bulk is also a great way to save money. At a warehouse store, you can buy a box with six to eight cans of beans that will be much cheaper than the same number of cans bought separately at the supermarket.

Grab discounts

Automobile insurers give deep discounts to people who don't have tickets and

whose vehicles have a variety of safety features. Similarly, some mortgage lenders offer incentives to customers who set up automatic monthly payments; plus the customers often get a cheaper rate—which over 15-30 years can make a significant difference in the total cost.

Devote a day

Keep in mind, practically every recurring expense can be negotiated for a better deal! Devote an entire day to calling and re-negotiating the price of such items as your phone, security service, property insurance, car insurance, Internet, TV package, etc. You'll be surprised at what you can save.⁸

Remind yourself daily that the things you are telling yourself about money and your attitudes toward finances will have a powerful effect on your financial behavior. Individuals and families with low or medium incomes can do extraordinary things with the money they have—if they'll change their attitudes, stop feeling entitled, and become habitual savers.

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The STEWPOT

A POTPOURRI OF PRACTICAL IDEAS to help you become a better steward

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BETTER SAVE than SORRY

BY GORDON BOTTING DRPH, CHES, CFC

Here's an interesting story from a few years back. Starbucks workers in California went to court, claiming that their supervisors were taking tip money that rightfully belonged to them. The judge determined that employees were owed the tips that they hadn't received—plus interest. (The decision was later overturned by an appeals court, which determined that the tip sharing had not violated the law.¹) However, what caught my attention was the amount of tips that the court calculated had been taken from the workers: \$86 million!² Yes, you read that right—\$86,000,000—given mostly in loose change and dollar bills!

How much attention are you paying to the coins and small bills



that pass through your hands? Most people have difficulty saving even a small amount to provide for a future emergency. Currently, about 76 percent of Americans are living from paycheck to paycheck. Fewer than one in four Americans have saved enough money to cover at least six months of expenses if they lost their jobs or got sick and couldn't work.³ In other words, 38 million households are living hand to mouth. They spend every penny of their paychecks, even though two-thirds of them are living above the poverty level.⁴

"A simple fact that is hard to learn is that the time to save money is when you have some."

JOE MOORE

STEWARDSHIP is a total lifestyle. It involves our health, time, talents, environment, relationships, spirituality, and *finances*.

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Would you believe that more than a quarter of adults ages 50-64 are currently saving nothing for their golden years?⁵



When it comes to saving for retirement, most adults say their goal is \$250,000, yet 36 percent haven't started. Would you believe that more than a quarter of adults ages 50-64 are currently saving nothing for their golden years?⁵ Put another way, the net

worth of Americans, excluding home equity, is \$45,447 for those 55-64 and just over 14,000 for 35-44 year olds.⁶ If you find yourself or your family in one of these categories, resolve to save more diligently and consistently from this day forward.

HOW TO GET STARTED WITH SAVING ...

Pay Your Savings "Bill"

Think of your savings account as another monthly bill—just like your regular phone or electricity invoice. Since you feel an obligation to pay your bills (or you'll lose the services you need), you might as well make your savings an obligation bill, as well. In fact, pay it first, right after you give your tithe and offerings. Don't make the excuse that you are poor and can barely pay your monthly expenses!

"He who will not economize will have to agonize."

CONFUCIUS

Begin by saving \$5 each month—ahead of your other debts. Make your smallest "bill" your favorite and increase your savings month by month.

Go Green

Every time you receive a one dollar bill, don't leave it in your purse or wallet. Instead, stash it in a drawer or file titled "My Own Personal Savings Account." You will be amazed by how quickly

those dollar bills multiply. Make "go green" your saving's mantra!

Get a Personal "Tip Jar"

Have a personal tip jar as an alternative or an addition to saving paper money. I have a little drawer in my car where I put all my loose coins, rather than having them clink around in my pocket. In a short time, you can save \$50 just by keeping your change in one place. Try it for a month, and you will be pleasantly surprised and enriched! Make this your new unbendable financial rule: do not spend coins, period.



Save Payments

Are you making payments each month on a car, washing machine, or refrigerator? When you have paid off the item, continue to make that same payment to your savings account. Imagine for a moment that you paid \$400 a month for your family's car, and you've just paid it off. Why not save that \$400 each month, rather than let that money just get absorbed into your lifestyle? Remember, you didn't have the money to spend before, so don't change anything ... except where you deposit it.

52 Week Challenge

Here's a fairly pain-free way to save \$1,000 in a year. Take a fresh calendar, and write \$1 on the first Monday in January. (You'll save \$1 for that week.) On the second Monday in January, write \$2 for your saving's goal during that week. By the end of January, you'll have saved \$10 ($\$1+\$2+\$3+\$4=\10). Continue on the next month, and write \$5 on the first Monday of February. By the end of the second month, you'll have saved \$26 ($\$5+\$6+\$7+\$8=\26), not counting the \$10 from January. By the end of the year, you'll have saved over \$1,000—the amount everyone should have in an emergency account.⁷

I never ask myself, "Do I really need this?" when I have cash burning a hole in my pocket. I never use cash when I can write a check. I never use a check when I can charge it on plastic. I never pay off the plastic in the grace period when I can pay it off over a lengthy period with high interest. Whenever I feel the urge to save, I lie down until it goes way.