



# Classic Values Money

## SAVING AND INVESTMENTS

Over the past few weeks, we have been learning how to budget our finances. This week, we'll take a look at how to work saving and investing into our budgeting plans.

For clarity, "**Savings**" will refer to readily available cash, or liquid asset accounts. "**Investments**" will refer to assets put away for longer periods, and for future use, such as for college or retirement expenses.

### Savings

As Pastor Kevin (PK) reminded us during the Classic Values series - life happens! And because many of life's surprises also create unexpected expenses, it is important that we set aside a specific fund, say \$500-\$1000, for emergency expenses.

Depending on the results of your initial budget review, you may feel that you are not ready to "jump right in" and add savings to your budget plan immediately, but it is important that you begin the steps needed to at least set up a "weeds", or emergency fund savings account, if you don't already have one.

**First, consider saving money as a positive**, not a negative. It means that you are successful in your budgeting and your self discipline. **You are not withholding from yourself when you save, you are giving to yourself!** Start with just \$10 a week, then double it to \$20. Use automatic transfers from your checking account to your savings account, if needed. If you think that it is impossible to save, start small by simply emptying the change from your pocket or purse each day, and see how much you accumulate at the end of each week. Maybe you will miss out on one thing that you wanted to do, but when that one day comes in the future (and you know that it will), you will be glad that you are prepared.

Even if you are starting small, set a goal to build your savings up to an amount of 3-6 months of your normal monthly expenses. This may take some time, but you'll be amazed how good it will make you feel to see your savings (your investment in yourself) grow! Once you achieve this, the satisfaction of gaining some financial freedom will keep you going even further. Maybe the next thing on your list is saving for that car (or motorcycle) that you've always wanted.

(Special Hint: If you don't already have a savings account, and you discover that monthly bank fees may take more of your savings than you would like, consider setting up the account in a child's name (if you have children). Check with your bank; they usually allow this, and they do allow a lower balance for children's savings accounts without monthly service fees.)

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### Investing

If we are looking at savings as a means to handle our *short term* budgeting and planning goals, then investing will be our way to handle our *long term* budgeting and planning goals. Long term investing can be established for many different purposes- buying a home, a child's education, starting a business, your retirement, etc.

Like saving, **investing should be disciplined, and practiced on a regular basis**. Also, unless you intend to spend many hours researching and staying apprised of current investment opportunities, you may wish to seek guidance from an investment professional. Meanwhile, here are a few simple points on investing.

**Diversification** is typically noted as the first and primary rule of investing; or in other words, "don't put all of your eggs into one basket". **Mutual funds** have been designed to provide the beginning investor with just such an investment opportunity, without requiring significant study or financial skills. Your dollars are invested into a fund that has many different stocks, in many different companies, and in many different markets, so your investment is spread over a wider market segment than just investing in one single stock or company.

**Employer sponsored savings plans**, especially **401(k)** retirement plans, are also often considered one of the best investment opportunities. Why, because in most cases, your employer will match some, or in some cases all, of your contributions. This is like getting double your money, without even considering the earnings gained on the total investment! Most company plans have a "**vesting period**" which is a schedule that tells you how long before the money that they have contributed into your account actually becomes yours to keep. Typically, the vesting period is between 3-5 years, so the key is to begin NOW, even if it is at the lowest participation level allowed (usually 1%) to begin receiving their contribution, and to get the clock ticking towards your 100% vesting date. Then as you receive an increase in salary, use that opportunity to increase your contribution percentage. It will be money that you haven't had, so you won't even miss it, but over time, your account balance will dramatically display the difference.

## God's Word on Saving and Investing

You have probably heard that the Bible has more statements about money and our attitude towards it, than it has on any other single topic. Would it surprise you to also learn that it actually tells us something about saving and investing that is applicable to today's world? Check out these scriptures on this week's topic of saving and investing.

### Saving and Investing

In the house of the wise are stores of choice food and oil, but a foolish man devours all he has. (Proverbs 21:20)

### Planning

The plans of the diligent lead to profit as surely as haste leads to poverty.  
(Proverbs 21:5)

### Obtaining Counsel

If any of you lacks wisdom, he should ask God, who gives generously to all without finding fault, and it will be given to him.  
(James 1:5)

Plans fail for lack of counsel, but with many advisers they succeed. (Proverbs 15:22)

### Diversification

Give portions to seven, yes to eight, for you do not know what disaster may come upon the land. (Ecclesiastes 11:2)

### Wealth (the Lord's blessing)

The blessing of the LORD brings wealth, and he adds no trouble to it.  
(Proverbs 10:22)

Moreover, when God gives any man wealth and possessions, and enables him to enjoy them, to accept his lot and be happy in his work—this is a gift of God. (Ecclesiastes 5:19)

### Loving Money

Whoever loves money never has money enough; whoever loves wealth is never satisfied with his income. This too is meaningless. (Ecclesiastes 5:10)

Then he said to them, "Watch out! Be on your guard against all kinds of greed; a man's life does not consist in the abundance of his possessions." (Luke 12:15)

People who want to get rich fall into temptation and a trap and into many foolish and harmful desires that plunge men into ruin and destruction. For the love of money is a root of all kinds of evil. Some people, eager for money, have wandered from the faith and pierced themselves with many griefs. (1Timothy 6:9-10)

### Arrogance/Pride

Command those who are rich in this present world not to be arrogant nor to put their hope in wealth, which is so uncertain, but to put their hope in God, who richly provides us with everything for our enjoyment. (1Timothy 6:17)

### Working versus "Get Rich Quick" schemes

He who works his land will have abundant food, but he who chases fantasies lacks judgment. (Proverbs 12:11)

He who works his land will have abundant food, but the one who chases fantasies will have his fill of poverty. A faithful man will be richly blessed, but one eager to get rich will not go unpunished. (Proverbs 28:19-20)

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## **Actions to Take This Week**

Include in your prayer time this week, a time to ask God for His favor on you (and your family) as you prepare to budget and save. Read the **Prayer of Jabez (I Chron. 4:10)** and see how God may answer your prayers over the coming months.

Also read **Proverbs Chapter 16**. Where do your plans come from? In whom do you put your trust?

If you are just beginning your budget, add savings to your plans now, at least to create your emergency fund. Start small and build from there. Remember to save your pocket-change each day. If you're a budgeting veteran, review your long term saving and investment plans, and meet with an investment professional, if needed, to update your portfolio.

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## **FINANCIAL WORKSHOP – July 15th at 12Stone™ Church - [REGISTER HERE!](#)**

What a great Workshop we had last Tuesday night. Thank you so much to all of you who attended. If you enjoyed last week, you will not want to miss our next Workshop.

So make plans now to attend Tuesday, July 15th at 6:30 pm in the Café Theater.  
Register today. Child care will not be available for this event.