

How to Save Money and Get Out of Debt

- I. Saving money is wise and Biblical, while spending all one makes and going into debt is foolish and unBiblical.
 1. **Pro 21:20** - There is treasure to be desired and oil in the dwelling of the wise; but a foolish man spendeth it up.
 2. **Pro 22:7** - The rich ruleth over the poor, and the borrower is servant to the lender.
 3. **Rom 13:8** - Owe no man any thing...

- II. Practical tips for saving money.
 1. First of all, give 10% of your income to the LORD, as did Abraham, Jacob, and the nation of Israel in the OT.
 - A. If you do, God has promised to bless you abundantly, which will enable you to save money.
 - i. **Pro 3:9** - Honour the LORD with thy substance, and with the firstfruits of all thine increase:
 - ii. **Pro 3:10** - So shall thy barns be filled with plenty, and thy presses shall burst out with new wine.
 - iii. **Mal 3:10** - Bring ye all the tithes into the storehouse, that there may be meat in mine house, and prove me now herewith, saith the LORD of hosts, if I will not open you the windows of heaven, and pour you out a blessing, that there shall not be room enough to receive it.
 - B. If you don't, God has promised to punish you financially, which will prohibit you from saving money.
 - i. **Mal 3:8** - Will a man rob God? Yet ye have robbed me. But ye say, Wherein have we robbed thee? In tithes and offerings.
 - ii. **Mal 3:9** - Ye are cursed with a curse: for ye have robbed me, even this whole nation.
 - iii. **Hag 1:6** - Ye have sown much, and bring in little; ye eat, but ye have not enough; ye drink, but ye are not filled with drink; ye clothe you, but there is none warm; and he that earneth wages earneth wages to put it into a bag with holes.
 - iv. **2Co 9:6** - But this I say, He which soweth sparingly shall reap also sparingly; and he which soweth bountifully shall reap also bountifully.
 2. Pay God first, yourself second (savings), your bills third (necessities), and your lusts last (things you desire, but don't need).
 - A. Every time you get paid, immediately put 10% of your paycheck in an account or in an envelope for God (or better yet, setup an automatic transfer in your bank).
 - B. Next, put 10% of your paycheck in an account or in an envelope for yourself (savings), and DON'T SPEND IT.
 - C. Setup other accounts and automatically put money in them each time you get paid for things like a car fund, car insurance, rental or home insurance, vacations, etc. and pay those things in a lump sum from that account when the bill comes due. This will save you money and will prevent financial hardships when they come due.
 - D. Make your car payment to yourself instead of to the bank, and pay cash for your cars. This way you *make interest* instead of *paying interest*, and you also will be much more frugal when you buy cars.
 - E. Use what is left of your paycheck for your bills and expenses. Use a separate account for this.

- F. At the end of the month, move whatever is left from your "bill money" to your savings.
- G. This way you end up saving at least 10% or more each month.
- 3. If you have debt, pay it off as fast as possible.
 - A. Still give the LORD His 10% first, else you are going to struggle.
 - B. If you have no emergency fund, save a month's paycheck worth of money first before paying extra on your debts.
 - C. Next, pick your smallest debt first and focus on paying it off as fast as possible.
 - D. Paying it off will give you momentum and a sense of accomplishment.
 - E. Next, focus on the highest interest loans and pay them off in order.
 - F. Pay off your car and then make your car payment to yourself.
 - i. Do this for a few years so that you can pay cash for your next car.
 - ii. Do this for the rest of your life and you will never have a car payment again.
 - G. Pay cash for everything and stop using credit cards.
 - H. Refuse to take on one more penny of debt, with the possible exception of a modest mortgage, since it is nearly impossible for the average young person starting out to buy a house with cash.
 - I. Pay your mortgage off as fast as possible.
 - i. If you refinance, make sure the new loan has the same or less duration as the time left on your current loan.
 - ii. To keep refinancing with a new 30 year loan will make you a debt slave for life.
 - iii. Resist the urge to buy another house with debt unless it's absolutely necessary.

III. Different methods of saving money

1. Not saving: living paycheck to paycheck and saving nothing. - Very Stupid
2. Saving what's left: pay bills and buy whatever one wants, and save the rest. - Stupid
3. Saving first: save at least 10% first, and then pay bills and buy things one wants. - Wise
4. Saving first and last: save at least 10% first, then pay bills and buy things, then save what's left. Very Wise

IV. Everyone can save money.

1. You can save money if you decide to.
2. It's not how much you *make*, but how much you *spend* that determines how much you save.
3. Most people spend all that they make.
4. When they get a raise, their savings account is no better off because they spend all they make.
5. To break this cycle, when you get a raise, save the entire amount of the raise (after giving God His increase), and spend the same as you did before the raise.
6. Easy places to start saving money:
 - A. Cancel your cable service.
 - B. Only eat out for one or two meals per week at most.
 - C. Stop going to coffee shops every day.
 - D. Shop for clothes only when you need them, and then shop at thrift stores.
 - E. Stop buying things you don't need.

V. This stuff works -- I have done it for many years.