



BEYOND THE TITHE

Practical Lessons on Personal Finance

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SESSION 2

GATHER UP THE FRAGMENTS

Prospering by Saving the Crumbs

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Saving the Crumbs

SAVINGTHECRUMBS.COM

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But He who had all the resources of infinite power at His command said, "Gather up the fragments that remain, that nothing be lost."

These words meant more than putting the bread into the baskets... **Nothing is to be wasted. We are to let slip no temporal advantage.**

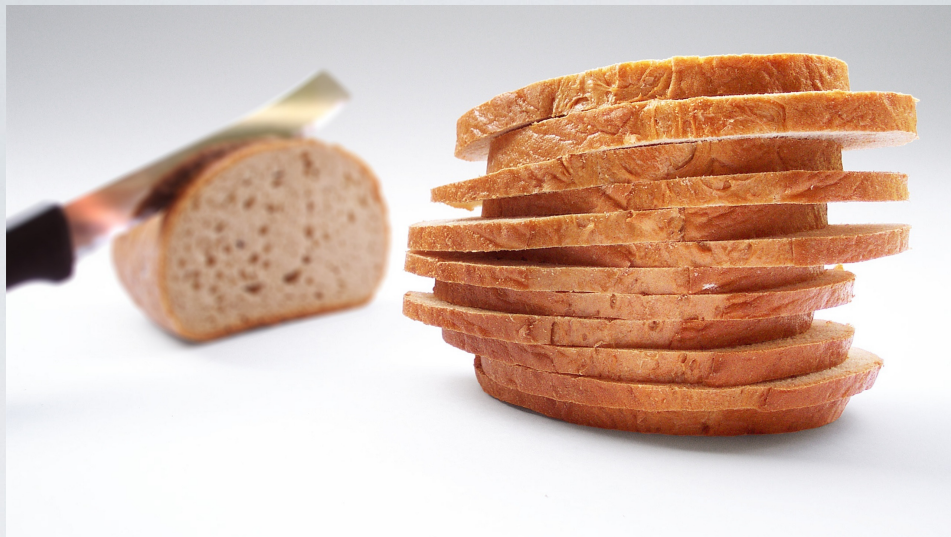
—Desire of Ages 368.1

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“Watch the pennies and the dollars will take care of themselves.”

–Benjamin Franklin

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A CRUMB-SAVING MINDSET

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SPEND LESS. SAVE MORE.
Objective

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$$\$5.25 \times 10 = \$52.50$$

8

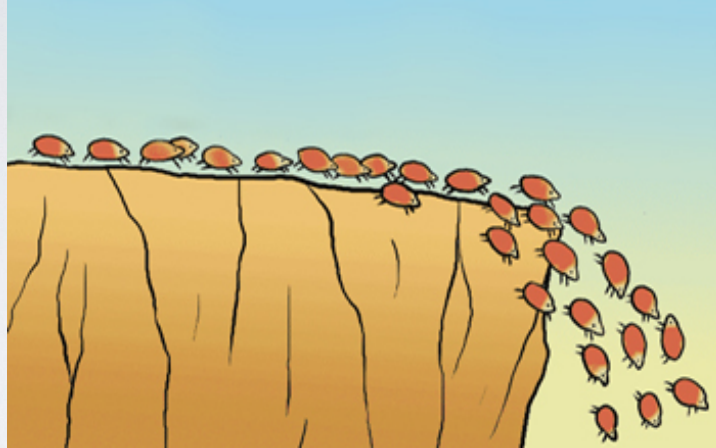


$\$5.25 \times 10 = \52.50
 $\$5.25 \times 16 = \84.00

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NEED. MORE. MONEY!!!

THE NARRATIVE ON WEALTH



“It’s what everybody does!”

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THE NARRATIVE ON WEALTH

Happiness = Consumption = American Dream

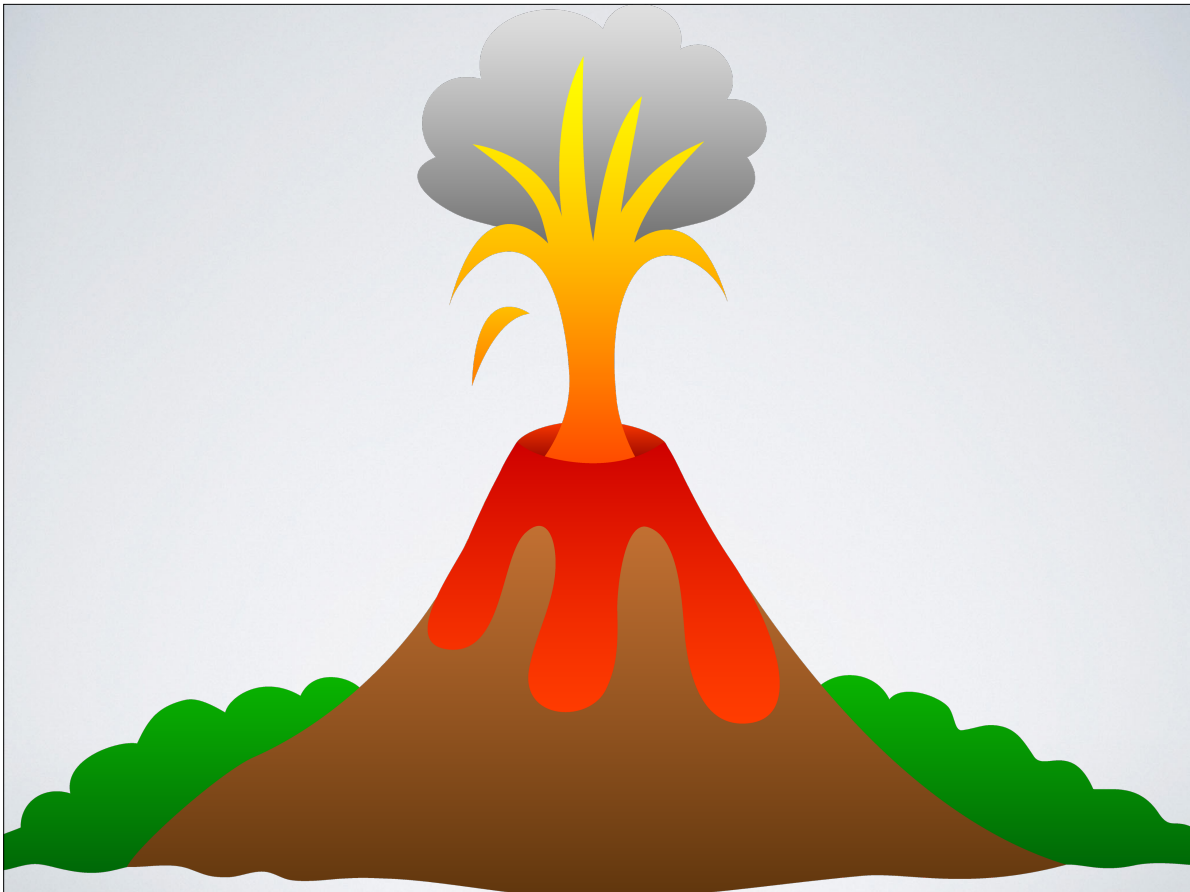
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THE NARRATIVE ON WEALTH

- “I’ll be happy once I take that vacation/ buy that car/eat at fancy restaurants.”
- “I should buy stuff, since consumer spending is the secret to a strong economy.”
- “The cost of living is so high, it’s tough just to scrape by earning \$100k! If only I was rich...”
- “Stagnant wages! I’ll have to work until 80! It’s impossible to save for retirement! It’s the economy’s fault! It’s the President’s fault! It’s the 1%’s fault!”



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JOHN D. ROCKEFELLER

Richest American of all time.
You live a better life than him.

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WE ARE THE **WEALTHIEST** YET
MOST **WASTEFUL** GENERATION
THAT EVER WALKED THE EARTH.

17

“We buy things we don't need with money we
don't have to impress people we don't like.”

–Dave Ramsey

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BUST THE MYTH!

- Stop accepting society's narrative about money.
- Stop associating happiness with consumption.
- Stop believing that we are the financial victim.
- Stop living beyond our means.
- Stop worrying about what others may think of us.

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BE THE CHANGE!

- Start taking ownership of our own financial issues.
- Start being intentional about where our money goes.
- Start gathering the fragments and saving the crumbs.
- Dare to be “peculiar”!

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LEARN TO BE CONTENT

Not that I am speaking of being in need, for I have learned in whatever situation **I am to be content.** I know how to be brought low, and I know how to abound. In any and every circumstance, I have learned the secret of facing plenty and hunger, abundance and need. I can do all things through him who strengthens me.

—Philippians 4:11-13 ESV

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SPEND LESS. SAVE MORE.

In Other Words

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SO HOW MUCH DO I NEED
TO EARN TO BE RICH?

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HOW IS WEALTH MEASURED?

Assets - **Liabilities** = **Net Worth**

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HOW IS WEALTH MEASURED?

$$\text{Assets} - \text{Liabilities} = \text{Net Worth}$$

Assets (OWN)

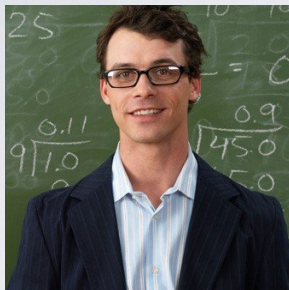
Cash
Investments
Properties
Vehicles

Liabilities (OWE)

Student Loans
Credit Cards
Car Notes
Mortgages

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WHO'S WEALTHIER?



Trey
Teacher

Earns: \$40,000/year
House: \$200,000
Car: 2005 Toyota Camry



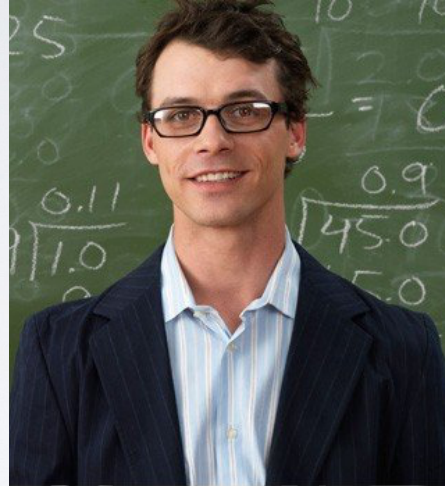
Don
Doctor

Earns: \$150,000/year
House: \$800,000
Car: 2015 BMW 7 Series

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TEACHER TREY BALANCE SHEET

Assets		\$558,500
Cash	\$12,500	
Home	\$200,000	
Vehicles	\$6,000	
Retirement	\$340,000	
Liabilities		\$0
Mortgage	\$0	
Car Loans	\$0	
Student Loans	\$0	
Credit Card	\$0	
Net Worth		\$558,500



\$40,000/year

Assets	
Cash	
Home	
Vehicles	
Retirement	
Liabilities	
Mortgage	
Car Loans	
Student Loans	
Credit Card	
Net Worth	

DOCTOR DON BALANCE SHEET

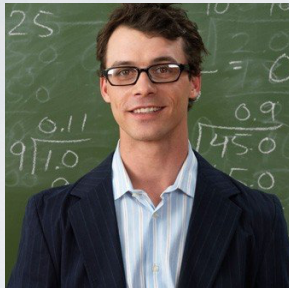
Assets		\$885,000
Cash	\$5,000	
Home	\$800,000	
Vehicles	\$80,000	
Retirement	\$0	
Liabilities		\$982,000
Mortgage	\$640,000	
Car Loans	\$72,000	
Student Loans	\$250,000	
Credit Card	\$20,000	
Net Worth		-\$97,000



\$150,000/year

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WHO'S WEALTHIER?



Trey
Teacher

Earns: \$40,000/year
Net Worth: \$558,500



Don
Doctor

Earns: \$150,000/year
Net Worth: -\$97,000

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WHO WOULD YOU RATHER BE?



Trey
Teacher

Positive Net Worth
He's the owner

Don
Doctor

Negative Net Worth
The bank's the owner

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INCOME \neq WEALTH
SPENDING \neq WEALTH

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INCOME \neq WEALTH

- Households with incomes of \$75-100,000.
- 55% saved nothing in 2012.
- 16% spent more than they earned, and went further into debt.
- 20% would go into months of debt if there was a \$400 emergency.

–“Even the Upper Middle Class Struggles to Save Money,” Federal Reserve Report

<http://www.bloomberg.com/bw/articles/2014-08-12/only-45-percent-of-upper-middle-class-households-are-saving-money>

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SPENDING \neq WEALTH

- Whether an average-income or upper-income household, teens still spend about **40% of their budget on fashion.**
- Teens will make **two trips to a restaurant** for every **one trip they make to a gas station.**

–“Taking Stock With Teens: A Collaborative Consumer Insights Project. Fall 2015” by PiperJaffray

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Wealth is determined not by how much you
EARN or SPEND, but by how much you
KEEP.

35

Wealth is determined not by how much you
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A person with a **BIG** paycheck can have a
LOW net worth.

36

Wealth is determined not by how much you **EARN or SPEND**, but by how much you **KEEP**.

A person with a **BIG** paycheck can have a **LOW** net worth.

A person with a **SMALL** paycheck can still have a **HIGH** net worth.

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MILLIONAIRES DON'T HAVE TO
EARN MILLION DOLLAR SALARIES



Warren Buffett

Salary: \$100,000/year

Net Worth: \$66 Billion

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MILLIONAIRES DON'T HAVE TO EARN MILLION DOLLAR SALARIES



Warren Buffett

Salary: \$100,000/year
Net Worth: \$66 Billion



Athletes

Salary: \$10 million/year
Net Worth: ?????

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“By the time they have been retired for two years,
**78% of former NFL players have gone bankrupt
or are under financial stress** because of joblessness
or divorce.”

“Within five years of retirement, an **estimated 60%
of former NBA players are broke.**”

–“How (and Why) Athletes Go Broke,” Sports Illustrated, 2009

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SPEND LESS. SAVE MORE.

The Secret to Building Wealth

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SAVINGS RATE

#1 Important Thing

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QUESTIONS TO ASK

- Are we buying consumables that decrease in value, or are we buying assets that increase in value?
- Are we spending everything we make each month or are we saving and investing?
- Do we have debt that cancels out our assets on our balance sheet?
- Do we OWE more than we OWN?

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I was shown that you, my brother and sister, have much to learn. **You have not lived within your means. You have not learned to economize. If you earn high wages, you do not know how to make it go as far as possible.** You consult taste or appetite instead of prudence. At times you expend money for a quality of food in which your brethren cannot afford to indulge. **Dollars slip from your pocket very easily.**

–Counsels on Stewardship 249.4

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WHAT ARE WE SAVING FOR?

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WHAT ARE WE SAVING FOR?

- **For Future Needs:**
 - Car
 - College
 - House
 - Wedding
 - Retirement
 - Big purchases, etc.
- **To Give Away:**
 - Once we reach our savings goals, the surplus goes to God.
 - Saving with no goal is hoarding, like the Rich Fool (Luke 12:19)

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ALSO...

For Freedom.

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WHAT ARE WE SAVING FOR?

Freedom:

To Serve

To Share

To Give

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MODERN-DAY TENTMAKING

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“Money is a very excellent servant but a
terrible master.”

–PT Barnum

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THE TEDDY BEAR LADY

Gladys Holm

51



\$18 MILLION

Left to the Children's Memorial Hospital in Chicago

52

THE TEDDY BEAR LADY

- She didn't accept the narrative that she was "so poor" or that she needed to buy lots of junk to be happy.
- Small, regular effort over a long period of time yield big results.
- She saved in order to give.
- Small income, large net worth.



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SPEND LESS. SAVE MORE.

Put Another Way.

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ISN'T FRUGAL LIVING
DEPRIVATION?

55

ISN'T FRUGAL LIVING
DEPRIVATION?

I want to enjoy life!

56

God does not require that His people should deprive themselves of that which is really necessary for their **health and comfort**, but He does not approve of **wantonness and extravagance and display**.

—Adventist Home, 379.3

57

We cannot make **the heart purer or holier** by clothing the body in sackcloth or **depriving the home** of all that ministers to comfort, taste, or convenience.

—Adventist Home, 379.2

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WHAT'S IT LIKE?

- No mortgage, house paid off.
- 2nd rental unit.
- Free electricity with solar panels.
- iPhones with unlimited everything for \$20.
- Garage full of stuff, fancy zero-turn mower, freezer full of food, dozens of pairs of shoes, more clothes than we need.
- A small garden with plenty to spare.
- International travel nearly every year.
- All this and we spend only about **\$1,300 a month** (\$16,000/year). Some spend that much just on food.
- Over **20% giving rate**.
- Over **50% savings rate**.

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WHAT'S IT LIKE?



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WHAT'S IT LIKE?

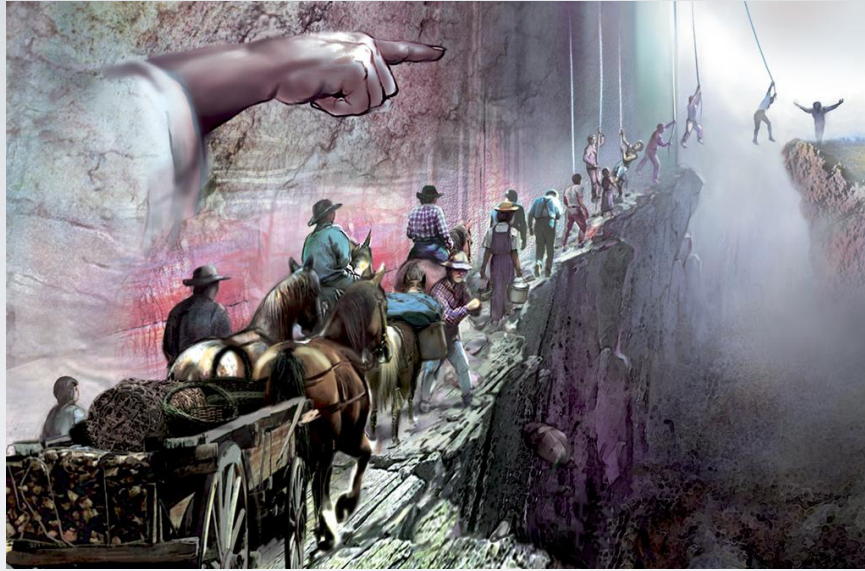
- Hardly ever eat out
- No TV or entertainment subscriptions
- Old (but reliable!) car
- No expensive family trips to Disneyland
- Content with a simple life

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WHAT'S IT LIKE?

- Freedom from the stress of slavery to lenders.
- Freedom for my wife to stay home with our baby.
- Freedom to serve the Lord in ministry without worrying about pay.
- Freedom to give generously to God's work.
- Freedom from society's expectations of how I ought to live my life.

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THE NARROW WAY

Time to Lighten the Load

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SESSION 2 SUMMARY

- Jesus wants us to be resourceful, to save, and to not waste.
- Ignore society's narrative about wealth.
- Wealth is determined by what we keep not what we earn. (Certainly not what we spend!)
- It's possible to build wealth even with a small income.
- Our savings rate is the single most important factor in wealth building.
- We save for future needs, to give more, and for freedom.

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SESSION 2 SUMMARY

- Dare to be peculiar with your money!
- Frugal living doesn't mean depriving ourselves, but it requires adjusting our taste.
- It means being smart with our money to provide for our necessities.

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SPEND LESS. SAVE MORE.

In Conclusion

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BEYOND THE TITHE

Practical Lessons on Personal Finance

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RESOURCES

- How Much Do I Have to Earn to Be Rich? (<http://www.savingthecrumbs.com/earnings-to-be-rich/>)
- 3 Better Reasons Why You Should Live Frugally (<http://www.savingthecrumbs.com/3-better-reasons-why-you-should-live-frugally/>)
- India Showed Me Why I Save (<http://www.savingthecrumbs.com/india-showed-me-why-i-save/>)
- How to Save Money In Spite of Ourselves (<http://www.savingthecrumbs.com/save-money-in-spite-of-ourselves/>)

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RESOURCES

- The Power of the Crumbs (<http://www.savingthecrumbs.com/the-power-of-the-crumbs-watching-the-pennies/>)
- Driving Off a Cliff With a New Car Loan (<http://www.savingthecrumbs.com/driving-off-a-cliff-with-a-new-car-loan/>)
- How an Emergency Fund Can Save You Money (<http://www.savingthecrumbs.com/emergency-fund-save-money/>)
- How to Tell If Something is Truly Cheap (<http://www.savingthecrumbs.com/something-truly-cheap/>)

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RESOURCES

- How We Eat for Less Than \$60 a Month: A Peek into Our Food Budget (<http://www.savingthecrumbs.com/eat-for-less-than-60-a-month-food-budget/>)
- How to Eat for 90% Less Than Your Neighbor: Our Philosophy (<http://www.savingthecrumbs.com/how-to-eat-for-90-less-than-your-neighbor-our-philosophy/>)
- How to Eat for 90% Less Than Your Neighbor: What We Buy (<http://www.savingthecrumbs.com/eat-for-90-less-than-your-neighbor-what-we-buy/>)
- How to Eat for 90% Less Than Your Neighbor: How We Cook (<http://www.savingthecrumbs.com/how-to-eat-for-90-less-than-your-neighbor-how-we-cook/>)
- 5 Steps to Find a Grocery Store that Saves You Money (<http://www.savingthecrumbs.com/5-steps-to-find-a-grocery-store-that-saves-you-money/>)

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RESOURCES

- Is Your Cellphone Plan Ripping You Off? (<http://www.savingthecrumbs.com/cellphone-plan-ripping-you-off/>)
- So I Just Bought 2 iPhones for ½ Off (<http://www.savingthecrumbs.com/iphones-half-off/>)
- An Update on Glyde (<http://www.savingthecrumbs.com/update-on-glyde/>)
- Saving \$320 on an iPhone 6 Plus with Swappa (<http://www.savingthecrumbs.com/iphone-6-plus-with-swappa/>)
- Does Your Cellphone Service Do This? (<http://www.savingthecrumbs.com/cellphone-service-do-this/>)