







# SUPER SAVING

## **COMMON SENSE FOR YOUR DOLLARS AND CENTS**

We're not a nation of savers. The typical American could not even cover a \$5,000 emergency without having to borrow money. And big purchases? Nothing a swipe of the plastic can't take care of, right?

In *Super Saving*, Dave blasts through the hype and reveals the reasons why you should save money, how to be prepared for emergencies, and how to build genuine wealth—without luck or the lottery! More than that, Dave will truly get you excited about saving. Impossible? Not when you start *Super Saving*!





After I got my \$1,000 in the bank, I finally had some peace of mind, and I didn't feel like I had to freak out because something unexpected came up. IT WAS AWESOME!

—Alicia



“  
*If you live like no one else, later you can live like no one else.*

—DAVE RAMSEY

## THE SEVEN BABY STEPS

There is a process for winning with money over time. No matter where you are today, whether you're financially secure or financially distressed, these Baby Steps will walk you step by step toward financial peace.



Save \$1,000 in a beginner emergency fund.  
(\$500 if your income is under \$20,000 per year.)



Pay off all debt (except the house) using the debt snowball.



Put 3–6 months of expenses in savings.



Invest 15% of your household income into Roth IRAs and pre-tax retirement plans.



Save for your children's college education using tax-favored plans.



Pay off the house early.



Build wealth and give!



## Saving Basics



\_\_\_\_\_ *in the bank.*

Saving must become a \_\_\_\_\_.

You must pay yourself \_\_\_\_\_.

Give, save, and then pay \_\_\_\_\_.

Saving money is about \_\_\_\_\_ and  
\_\_\_\_\_.

Building wealth is not evil or wrong.

Money is \_\_\_\_\_.

Christian author Larry Burkett once said, "The only difference between saving and hoarding is \_\_\_\_\_."

It is the Christian's spiritual \_\_\_\_\_ to take dominion over money. If we don't, we surrender God's resources to the enemy!

*In the house of the wise are stores of choice food and oil, but a foolish man devours all he has.*

— PROVERBS 21:20 (NIV84)



America consistently has one of the worst personal savings rates of all the nations of the world.

*This is your first goal. Attack it and get it done fast.*



*For the love of money is a root of all kinds of evil.*

—1 TIMOTHY 6:10



*Making money is much harder to do if, deep down, you suspect it to be a morally reprehensible activity.*

—RABBI DANIEL LAPIN

## Why Save?

You should save for three basic reasons:

- \_\_\_\_\_ fund
- \_\_\_\_\_
- \_\_\_\_\_ building

## Emergency Fund

\_\_\_\_\_ events do occur—expect it!

Remember, we just said that Baby Step 1, the beginner emergency fund, is \$\_\_\_\_\_ in the bank (or \$500 if your household income is below \$20,000 per year).

*Remember, you will pay off all consumer debt in Baby Step 2 before starting Baby Step 3.*



\_\_\_\_\_ months  
of expenses in savings.

Money Market Accounts can be opened at your local bank or credit union. Be sure to get one that gives you check-writing privileges.

A great place to keep your emergency fund is in a \_\_\_\_\_ account from a mutual fund company.

Your emergency fund is not an \_\_\_\_\_; it is \_\_\_\_\_.

Do not \_\_\_\_\_ this fund for purchases!

The \$1,000 emergency fund is your \_\_\_\_\_ savings priority. *Do it quickly!*

**Murphy's Law:**  
Whatever can go wrong,  
will go wrong.



# Don't **DRIVE** yourself broke!

**LET'S SAY** an average car payment = \$492 a month for 63 months.

**WHAT IF** you put that \$492 into a cookie jar each month? You'd be able to **pay cash** for a \$4,900 car in just **10 months!**



*If a teenager takes this to heart early and never has a car payment throughout his whole life, can you imagine how wealthy he could become just from this one decision?*

## Purchases

Instead of \_\_\_\_\_ to purchase, pay cash by using a \_\_\_\_\_ fund approach.

### FOR EXAMPLE ...

If you borrow to purchase a \$\_\_\_\_\_ dining room set, the furniture store will probably sell your loan to a finance company.

This means you will have borrowed at \_\_\_\_\_% with payments of \$\_\_\_\_\_ per month for \_\_\_\_\_ months. So, you will pay a total of \$\_\_\_\_\_ for that set.

But if you save the same \$\_\_\_\_\_ per month for only \_\_\_\_\_ months, you will be able to pay cash.

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*One definition of maturity is learning to delay pleasure. Children do what feels good; adults devise a plan and follow it.*

—DAVE RAMSEY



Why does Dave use a 12% rate of return in his investing examples? Find out in this bonus online article.



daveramsey.com/fpu/12percent

Scan this QR code with your smartphone. Don't have a QR reader? Search "QR code reader" in your phone's app store.



*No discipline seems pleasant at the time, but painful. Later on, however, it produces a harvest of righteousness and peace for those who have been trained by it.*

—HEBREWS 12:11

*A faithful man will abound with blessings, but he who hastens to be rich will not go unpunished.*

—PROVERBS 28:20

## Daily decisions make a **HUGE** impact!

EXPENSE	COST PER DAY	COST PER MONTH	IF INVESTED AT 12% FROM AGE 16-76
BOTTLED WATER	\$2	\$60	\$7,825,768
GOURMET COFFEE	\$5	\$150	\$19,564,358
LUNCH (5 days/week)	\$8	\$160	\$20,868,640

*Is it worth the cost in the long run?*

## Wealth Building

\_\_\_\_\_ is a key ingredient.

Building wealth is a \_\_\_\_\_,  
not a \_\_\_\_\_.

\_\_\_\_\_ years of saving \$\_\_\_\_\_ per month, every month, at \_\_\_\_\_% will build to \$\_\_\_\_\_.

\_\_\_\_\_ - \_\_\_\_\_  
withdrawals are a good way to build in discipline.

Compound interest is a mathematical  
\_\_\_\_\_.

You must start \_\_\_\_\_!



The Story of

# BEN & ARTHUR

And the power of compound interest

## Ben starts saving money at 19 years old.

He saves \$2,000 a year until age 26, a total of eight years. After that, he never invests another dime.

## Arthur starts saving money at 27 years old.

He saves \$2,000 a year until age 65, almost his entire life.

## At the end of the story,

Ben, who invested only \$16,000, ends up with \$2,288,996! But Arthur, who put in \$78,000, ends up with \$1,532,166.

.....

Just because he started early,

Ben came out  
ahead by over  
**\$700,000!**

Ben Invests	Total	Age	Arthur Invests	Total
2,000	2,240	19	0	0
2,000	4,749	20	0	0
2,000	7,558	21	0	0
2,000	10,706	22	0	0
2,000	14,230	23	ARTHUR STARTS LATE	
2,000	18,178	24		
2,000	22,599	25		
2,000	27,551	26	0	0
BEN STOPS SAVING!		27	2,000	2,240
		28	2,000	4,749
		29	2,000	7,558
		30	2,000	10,706
0	48,554	31	2,000	14,230
0	54,381	32	2,000	18,178
0	60,907	33	2,000	22,599
0	68,216	34	2,000	27,551
0	76,802	35	2,000	33,097
0	85,570	36	2,000	39,309
0	95,383	37	2,000	46,266
0	107,339	38	2,000	54,058
0	120,220	39	2,000	62,785
0	134,646	40	2,000	72,559
0	150,804	41	2,000	83,506
0	168,900	42	2,000	95,767
0	189,168	43	2,000	109,499
0	211,869	44	2,000	124,879
0	237,293	45	2,000	142,104
0	265,768	46	2,000	161,396
0	297,660	47	2,000	183,004
0	333,379	48	2,000	207,204
0	373,385	49	2,000	234,308
0	418,191	50	2,000	264,665
0	468,374	51	2,000	298,665
0	524,579	52	2,000	336,745
0	587,528	53	2,000	379,394
0	658,032	54	2,000	427,161
0	736,995	55	2,000	480,660
0	825,435	56	2,000	540,579
0	924,487	57	2,000	607,688
0	1,035,425	58	2,000	682,851
0	1,159,676	59	2,000	767,033
0	1,298,837	60	2,000	861,317
0	1,454,698	61	2,000	966,915
0	1,629,261	62	2,000	1,085,185
0	1,824,773	63	2,000	1,217,647
0	2,043,746	64	2,000	1,366,005
0	2,288,996	65	2,000	1,532,166

**\$2,288,996**

**\$1,532,166**





*If riches increase, do not set your heart on them.*

—PSALM 62:10

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*If you do the things you need to do when you need to do them, then someday you can do the things you want to do when you want to do them.*

—ZIG ZIGLAR

*Make all you can, save all you can, give all you can.*

—JOHN WESLEY

If you are currently struggling, behind on your bills or in collections, watch the free *Credit Sharks in Suits* lesson online in FPU Central.



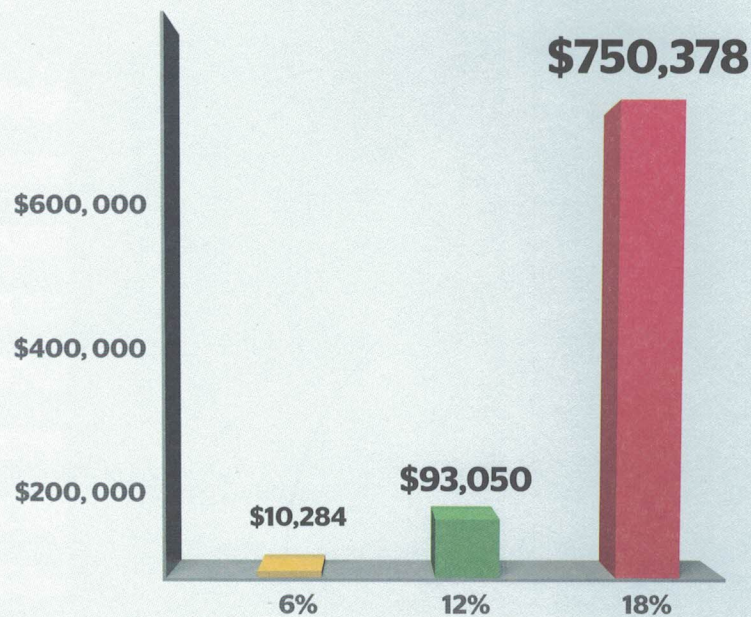
[daveramsey.com/fpu/sharks](http://daveramsey.com/fpu/sharks)

## Exponential Growth

The rate of return, or \_\_\_\_\_ rate, is important.

### \$1,000 One-Time Investment

No withdrawals, age 25–65 (40 years)





## QUICK-START BUDGET

It's time to take your first step toward financial peace with this simple, one-page Quick-Start Budget, found in the back of this book. This form takes your expenses down to the bare necessities and helps you get your arms around your income—and your outgo. Don't worry about listing out your debts yet; we'll get to that later. For now, we just want to get you started with the basics.

Go from pen and paper to high tech with our FREE online budget tool, EveryDollar! You can access EveryDollar from FPU Central. Enter your income then assign every dollar of your income to the personalized budget groups. That's all you have to do to set up your first budget!

## ANSWER KEY

\$1,000	SINKING
PRIORITY	\$4,000
FIRST	24%
BILLS	\$211
EMOTION	24
CONTENTMENT	\$5,064
AMORAL	\$211
ATTITUDE	18
DUTY	DISCIPLINE
EMERGENCY	MARATHON
PURCHASES	SPRINT
WEALTH	40
UNEXPECTED	\$100
\$1,000	12%
3-6	\$1,176,000
MONEY MARKET	PRE-AUTHORIZED
INVESTMENT	CHECKING
INSURANCE	EXPLOSION
TOUCH	NOW
FIRST	INTEREST
BORROWING	



## One-Minute Takeaway

What jumped out at you in this lesson? How can this affect your story?

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## Small Group Discussion

True life-change happens when you open up and work through this material together. Break up into discussion groups of no more than 20 people to talk through the following questions. Be honest in your answers!

1

If you follow the plan outlined throughout FPU, the next nine weeks will change your money—and your behaviors with money—forever. However, if it were easy, everyone would have financial peace! Talk about one or two things you are worried about having to deal with or something you are looking forward to achieving as you work through the program.

2

American families typically save far less of their income than those in other countries. In what specific area(s) could you be—or would you want to be—more diligent about saving?

3

Dave says, “I’m positive—emergencies are going to happen!” Talk about a financial emergency you’ve had over the last few years. How would the situation have been different if you’d had an emergency fund specifically for these types of expenses?

4

Dave recommends building sinking funds into your budget to cover big purchases and future expenses. Talk about some expenses you’ve had in the past that could have been less stressful with a sinking fund.

5

The time has come for all of us to start dreaming bigger. Imagine yourself debt free with an emergency fund in place, fully funding retirement and college investments, and writing the check to pay off the house. What are some things you can’t wait to do with the money—and freedom—you’ve secured for yourself?





## This Week's Homework

Personal finance is 20% head knowledge and 80% behavior. Take charge of your financial behaviors by completing the following tasks this week. Be sure to work with your spouse or accountability partner where noted!



### Register for the online tools.

Visit FPU Central at [daveramsey.com/fpucentral](http://daveramsey.com/fpucentral) and sign up for the additional online tools and resources. You'll need your Activation Code from the sticker that came inside your Membership Kit. If you have not done so yet, place that sticker in the space provided on the second page of this workbook.



### Complete the Quick-Start Budget form.

You can use the paper form from the back of this book, download a printable version online, or use the budgeting software in the online resources in FPU Central. Bring the completed form to class next week in the FPU budget folder included in your Membership Kit.



### Complete the Financial Reality Check.

Fill out the Financial Reality Check on the next page or use the online version in FPU Central. Be sure to bring the results to class next week.



**Reading Assignment:** Read the "Super Saving" chapter in *Dave Ramsey's Complete Guide to Money*.



**Extra Credit:** If you are facing debt collectors or considering bankruptcy, read the "Credit Sharks in Suits" chapter in *Dave Ramsey's Complete Guide to Money* and watch the free lesson online.





## Financial Reality Check

Financial peace is closer than you think! But before we get started, let's put a stake in the ground where your current finances stand. This is information you're going to look back on five years from now, and you'll be amazed at how far you've come! Answer the questions below, and be honest!



### What's your total non-mortgage debt?

*This includes any money you owe on anything, including student loans, credit cards, car loans, second mortgages, home equity loans, etc. This is the total of everything except a first mortgage.*

TOTAL



### How much "liquid" cash do you have available?

*This is the cash you could get your hands on immediately, like savings, checking and money market accounts. This does not include home equity lines of credit, cash advances or retirement funds.*

TOTAL



### How many open credit card accounts do you have?

*Remember, even if you pay off a card, the account is still open. To truly be rid of it forever, you must formally request that the credit company or bank officially close the account.*

TOTAL



### On a scale of 1-10, rate the following emotions in regard to your personal finances:

Fear	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Anxiety	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Confidence	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Hope	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Peace	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
	1	2	3	4	5	6	7	8	9	10
	Practically None									Extremely High





# The Secret to Saving Money

*Most people don't save like they know they need to. Why? Because they have competing goals. The goal to save isn't a high enough priority to delay that purchase of the pizza, DVD player, new computer or china cabinet. So they purchase, buy, and consume all their dollars away or, worse yet, go into debt to buy these things.*

That debt brings monthly payments that control our paychecks and make us say things like, "We just don't make enough to save any money!" Wrong, wrong, wrong! We do make enough to save money. We just aren't willing to quit spoiling ourselves with our little projects or pleasures to have enough left to save. It doesn't matter what you make—you can save money. It just has to become a big enough priority.

If a doctor told you that your child was dying and could only be saved with a \$15,000 operation that your insurance would not cover and could only be performed nine months from today, could you save \$15,000? Yes! Of course you could! You would sell things, stop any spending that wasn't required to survive, and take two extra jobs. For that short nine months, you would become a saving madman. You would give up virtually anything to accomplish that \$15,000 goal. Saving would become a priority.

The secret to saving money is to make it a priority, and that is done only when you find some healthy anger or fear and use those emotions to guide your personal decisions. Then ask yourself: *Which bill is the most important? After tithing, whom should I pay first this month?* The answer is you!

Advertisers and marketers are great at affecting our emotions and making us see our wants as needs. It is time for this to stop! Emotions make great servants, but they are lousy masters. No matter how educated or sophisticated we are, if we're not saving then we're being ruled by emotions and not harnessing them.

So whether you are saving for college tuition, a vacation, new school clothes for the kids or anything else, start saving now! It's never too late!

## KEY TERMS

**Baby Steps:** Dave Ramsey's seven-step process for winning with money

**Compound Interest:** Interest paid on both the principal and the accumulated value of previously accrued interest

**Emergency Fund:** Easily accessible savings set aside only for emergencies; a full emergency fund (Baby Step 3) is 3-6 months of expenses

**Interest Rate:** Percentage paid to a lender for the use of borrowed money

**Money Market Mutual Fund:** Essentially a savings account with a mutual fund company; earns slightly higher rate of return than a simple savings account through short-term mutual fund investments

**Sinking Fund:** A systematic way of saving money over time for a specific purchase; i.e., saving \$400 a month for 10 months to buy a \$4,000 car