How much money should I save?

Part one: Is Dave Ramsey Right?

In the article “How much money should I give to God?“ you were introduced to the money accountability sheet. The fifth category on that sheet is Savings - Emergency Fund, Investments. Let’s talk about Savings.

I recently read a couple of articles from Dave Ramsey that broke my heart. I understand that he has helped a lot of Christians realize how destructive debt is and has provided useful tools for getting out of debt. His program has changed people’s lives for the better. However, some of his recent articles appear to me to encourage greed and that is in conflict with every biblical principle about money. The greed of wanting to be rich is just as wrong as the greed of buying things you cannot afford or should not have. He may be doing some good, but I feel we need to call wrong – wrong.

In his article, “Can You Retire on $1 Million?” March 11, 2021, he basically states that you cannot. He starts by saying “Research shows Americans close to retirement age spend about $66,000 annually per household on food, housing, clothing, transportation and other lifestyle expenses including health care.” I am sure he got that number somewhere, but the overwhelming majority of my friends would consider $66,000/year a fantastic gross salary. Starting with that number distorts everything else he says about preparing for the future.

He goes on to say “…right now, Americans age 55 and older only spend a modest $3,350 on entertainment each year on average. If you’re looking forward to a lot of travel in retirement, $3,350 won’t get you very far—think Paris, Texas, instead of Paris, France.” This statement displays another fallacy in his thinking. Where in the Bible does it say we should be relaxing and living the “good life” traveling the world at any stage in our life? I would think that Luke 12:16-21 would be a warning against that thinking.

The rich man says in verses 18 & 19 “… This will I do: I will pull down my barns and build greater; and there will I bestow all my fruits and my goods. And I will say to my soul, Soul, thou hast much goods laid up for many years; take thine ease, eat, drink, and be merry.”

Verses 20 & 21 record, “But God said unto him, Thou fool, this night thy soul shall be required of thee: then whose shall those things be, which thou hast provided? So is he that lays up treasure for himself, and is not rich toward God.”

To further demonstrate how his own greed has affected the advice Ramsey sells, in his article “How to Become a Millionaire” July 20, 2021, he says, “We teach you to save 15% of your income for retirement.” Study his program and you will see that he recommends that you only give God 10% (tithe). So, give God 10% and save 15% so you can retire a multi-millionaire. Does that sound like someone who loves God?

The rest of the Luke 12 passage says (abbreviated):

22 And he said unto his disciples, Therefore I say unto you, Take no thought for your life, what ye shall eat; neither for the body, what ye shall put on. 23 The life is more than meat, and the body is more than raiment. 24 Consider the ravens: for they neither sow nor reap; which neither have storehouse nor barn; and God feeds them: how much more are ye better than the fowls?

… 27 Consider the lilies how they grow: they toil not, they spin not; and yet I say unto you, that Solomon in all his glory was not arrayed like one of these. 28 If then God so clothe the grass, which is today in the field, and tomorrow is cast into the oven; how much more will he clothe you, O ye of little faith?

29 And seek not ye what ye shall eat, or what ye shall drink, neither be ye of doubtful mind. 30 For all these things do the nations of the world seek after: and your Father knows that ye have need of these things. 31 But rather seek ye the kingdom of God; and all these things shall be added unto you.

32 Fear not, little flock; for it is your Father's good pleasure to give you the kingdom. 33 Sell that ye have and give alms; provide yourselves bags which wax not old, a treasure in the heavens that fails not, where no thief approaches, neither moth corrupted. 34 For where your treasure is, there will your heart be also. (Modified KJV)

I think someone needs to read his Bible a little more and his balance sheet a little less. Perhaps he should start with 1 Timothy 6:10 and Proverbs 28:22. The gift of wealth, for a Christian, brings a great deal of responsibility. There are many Bible verses instructing the wealthy what they should do with their resources. If God gives us resources, He expects us to use it to advance His kingdom, support evangelism, caring for the poor, etc. He does not want us to live the “good life” here on earth. We get to do that when we get to heaven – for eternity. Today we must work for the night cometh when man works no more.

Any man who wills to be wealthy cannot love God. Matthew 6:24 “No man can serve two masters: for either he will hate the one and love the other; or else he will hold to the one and despise the other. Ye cannot serve God and mammon (money).” (Modified KJV)

You might ask, “Doesn’t the Bible talk about providing for your family? (Proverbs13:22, 1 Timothy 5:8) Aren’t we to look to the ant? (Proverbs 6:6)”? There is a country mile between being a responsible steward and what Ramsey is currently teaching. The Bible does not forbid saving money but it does warn about the destruction a love of money brings. If Ramsey’s goal is to make non-Christians rich, then his program is a good one. If his goal it to help Christians serve God better, he is doing a poor job.

Coming soon, Part two: So, how much should I save?

Tom