

Unit 3 ➤

1 Read the article about saving money and decide which of these statements (a-d) is the best summary of it.

- a The 'Fire' movement reveals the secret of achievable early retirement.
- b The path to future success and happiness can be found in making extreme savings and spending the absolute minimum every month.
- c Although saving is a good idea, trying to live on very little money as proposed by the 'Fire' movement is unrealistic for most people.
- d Trying to save money when you're young is pointless and leads to long-term unhappiness and a life of where all you ever do is work.

2 Read the article again and answer the questions.

- 1 What does 'Fire' stand for?
- 2 What three problems does the writer think make 'Fire' very difficult to achieve?
- 3 What habit does the writer suggest you get into that will help you save money?
- 4 Why does the writer think it's worth paying for someone to clean her house and deliver her groceries?
- 5 What do minimalists hate?

3 Look at the words and phrases from the text and answer the questions.

parsimony penny-pinching frugality subsisting on next to nothing thrifty

- 1 What do the words have in common?
- 2 Find two more phrases in the text that belong to this category.

4 Match (1-6) with (a-f) to make phrases and expressions from the text. Then find them in the text to check.

- | | |
|-------------|-------------------|
| 1 keep | a a thing or two |
| 2 be music | b nature |
| 3 stay | c in the black |
| 4 be second | d a lid on sth |
| 5 learn | e a message to sb |
| 6 spread | f to sb's ears |

5 Choose the correct option in *italics* to complete the sentences.

- 1 As students, they were used to surviving on *frugality* / *next to nothing*.
- 2 It's fine to be thrifty, but your *parsimony* / *penny-pinching* ways are very unattractive.
- 3 Your decision to open a new savings account is *magic* / *music* to my ears.
- 4 If you don't *go* / *stay* in the black, you'll have to pay interest on a loan or overdraft.
- 5 We are so used to being careful with money, it's *first* / *second* nature to us.
- 6 The government is trying to *keep* / *spread* the message about the advantages of opening pension schemes.

The 'Fire' movement and the trouble with penny-pinching

Parsimony is a way of life for those who aim to retire in their thirties and forties – but how practical is it?

If you haven't heard of the Fire movement, you soon will. Originating in the USA, its followers are devoted to extreme forms of money saving to achieve 'financial independence' and 'retire early' (FIRE).

5 Fire followers budget like crazy and target savings of up to 70 percent of their annual income, which (crucially) they invest for the long term. Once their savings pot has hit the desired level – typically thirty years' worth of living expenses – they keep it invested in low-cost tracker
10 funds, withdrawing no more than 4 percent every year in the hope they will never extinguish their capital.

Having spent years subsisting on next to nothing, their thrifty habits are so ingrained that keeping a lid on day-to-day living costs is second nature.

15 Young people all over the internet are earnestly raving about how marvellous Fire is, but it's essentially rebranding retirement saving (which, let's face it, sounds terribly dull) as an empowering lifestyle choice.

It is music to my ears to hear of young people getting
20 into the savings habit early – all the more time for their investments to compound – but I feel compelled to throw a little fat on the fire.

The first problem is property. Most young people I know would struggle to save even 20 percent of their annual
25 income, as they spend more than 50 percent of it on rent. Others manage to save – plenty still live with their parents – but intend to use their pot as a property deposit, rather than a retirement fund.

The second issue is having children – good luck staying
30 in the black when that happens.

And the longer-term worry is the maths. Catchy concepts such as the '4 percent rule' look increasingly optimistic as global growth stutters, and bond yields turn negative. I'm a fan of investing in low-cost trackers, but I'm not
35 expecting this performance to be repeated over the next ten years.

For all of these reasons, I think everyone needs to get 'fired up' about spending less and saving more to give
40 themselves more options in later life. Saving 70 percent and retiring in your 40s might not be achievable; saving a bit harder and retiring in your 60s still could.

My final beef is the frugality. If you take money saving to the extremes that some Fire devotees claim to, then the whole thing becomes self-defeating.

45 There is no way that some of the 'young retired' stars of Fire videos on YouTube could manage this lifestyle if they had a full-time job! The money-saving tactics they employ are often extremely time-consuming – walking everywhere, making their own clothes and boiling up
50 endless pots of low-cost pulses.

They might have 'retired' in their thirties – but it sounds like they've just swapped one form of drudgery for another.

I save as much as I can, but examining my own spending
55 data (a thrifty habit I recommend) shows exactly where I sacrifice money saving to buy greater convenience. This includes paying someone to clean our flat; taking a taxi to cut a journey time in half; having online groceries delivered. The time this saves me makes it worth the money.

But consumer habits are increasingly shaped by the cost to our planet, not just the cost to our pockets.

In the old days, we may have tried to hide our penny-pinching ways. Today, virtue signalling has made being thrifty fashionable.

Another closely related YouTube tribe are the minimalists, to whom clutter is anathema. There are some great money and planet-saving lessons in the '12 things I've stopped
65 buying' video by vlogger Conni Biesalski.

Fast fashion is number one on her 'no shopping list'; physical gifts are number two. She prefers to give the gift of spending time on shared experiences, arguing this is a far better way of sustaining a friendship than a scented candle (I'll second that).

75 Policymakers and financial providers could learn a thing or two from the Fire movement's appeal. Make saving into pensions and Isas attractive by keeping the rules as simple as possible; speed up initiatives such as the pensions dashboard that will better enable savers to plan for the future, and think of snappier ways to spread the savings message to young people.