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7 Money Clichés That Have Stood the Test of Time

These tried and true statements still add up.

By [Jennifer Taylor](#) | Dec 23, 2021 | [Manage Your Money](#)



If you had a dime for every cliché you’ve heard in your lifetime, you might be a billionaire. These trite statements cover every subject you can imagine, [including money](#).

Many have been passed down through generations, meaning you probably grew up hearing them. Some may no longer be applicable to modern life, but that won’t stop many people from continuing to use them.


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However, if you really think about the meaning behind some popular money clichés, you might find yourself a bit confused. Since these adages are repeated into exhaustion, you’ve probably been conditioned to believe them.

Therefore, it’s beyond time to learn whether some of the most overused ones still make sense.

[Here's what several financial experts had to say on the relevance of seven well-known money clichés.](#)

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Save for a Rainy Day

It’s a classic money cliché, but Dr. Jay Zigmont, an investment advisor based in Mississippi, said this one holds true.

“If last year taught us nothing (else), it was the importance of being prepared for anything,” said Zigmont, founder of [Live, Learn, Plan](#). “Grandma always talked about saving for a rainy day, and that was because she had been through the Depression and other really rainy days.”

He said we’ve gotten into the habit of living for today, forgetting that tomorrow is going to happen.

“We should all follow Grandma’s advice and keep aside 10% for safety and security,” he said. “A rainy day fund.”

Advice: [50 Easy Things You Should Do To Save Money](#)

A Penny Saved Is a Penny Earned

No doubt you’ve heard this cliché a million times, but Scott Stanley, a certified financial planner, said it has stood the test of time for anyone who wants to save for their financial future.

“Essentially, the saying is a reminder that you’ll be given interest on every penny you save,” said Stanley, founder of Pharos Wealth Management in the San Francisco Bay Area. “It’s especially helpful when you need a little kick in the pants to save a piece of your paycheck.”

He advised taking this cliché a step further by looking at the magic of compounding interest.

“A penny saved is a penny earned, and a penny earned is even more pennies earned,” he said. “In other words, when you save the penny, you earn interest on that penny, and then you earn interest on that penny plus the original penny.”

He said compounding interest is like the snowball effect, and your future retired self will thank you for saving that penny.

Strategy: [16 Effective Ways To Trick Yourself Into Saving Money](#)

Make Your Money Work Better for You

You might be tired of hearing this cliché, but Christopher Reilly — founder of Mission Capital, a business consulting firm based in Colorado — said it still holds its own.

“This one speaks to two things,” he said. “Money is nothing more than an intermediary for you to trade your time and skills in exchange for value, and (it) gives a little lesson on inflation — i.e., a house in 1970 could cost \$100,000, and that same house could cost \$1 million in 2021. The price has gone up, but the value is the same. It’s still the same house, so the value of the dollar has gone down.”

He said this cliché is essentially the same idea as the also popular “People can tell you the price of anything, but the value of nothing.”

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Cash Is King

Reilly said this one is the oldest clichés in the book, but it still rings true.

“At the end of the day, whether you’re in a bind or bidding war, having true, liquid cash puts you in the most powerful position,” he said. “If you have cash sitting in a bank account, you can immediately pay for unexpected expenses. Or, if you’re buying a house, an all-cash offer puts you in the best position, because there aren’t any contingencies.”

Therefore, the more money you have in the bank, the better off you are.

Revealed: [25 Secrets Every Rich Person Knows](#)

Pay Yourself First

This money cliché hasn’t gone out of style, according to Dr. Robert R. Johnson, a finance professor at Heider College of Business at Creighton University. To highlight its relevance, he used the example of people increasing their spending when they’re granted a pay raise at work.

“For instance, people move into a bigger apartment or buy a more expensive car or home to reward themselves for receiving the raise,” said Johnson, who is also a co-author of four books, including “The Tools and Techniques Of Investment Planning” and “Investment Banking for Dummies.”

“What happens is they are unable to improve their financial condition, because they spend everything they make.”

Instead, he said, it’s best to invest the additional money from a raise, as if you had not received the raise at all.

“Continue to live the same lifestyle you led before receiving a raise and invest the difference,” he said. “People would be well advised to pay heed to Warren Buffett’s sage words: ‘Do not save what is left after spending; instead spend what is left after saving.’”

Money Lessons: [23 Lottery Winners Who Lost Millions](#)

Make Your Money Work Better for You

Keep It Simple, Stupid

This blunt cliché gained popularity for a reason, and Johnson said it’s still relevant today.

Feeling like you have to keep up with daily financial news and make a lot of trading decisions can actually be counterproductive for most people, he said.

“The majority of investors would be well served to adopt the KISS mantra,” he said. “The best thing for most investors is to invest in a low-fee, broadly diversified stock market index fund.”

He said buying an individual stock can be a tremendous risk.

“A mutual fund or ETF diversifies and the volatility of that investment will be much less than that of the average single stock,” he said. “These funds have low minimum investments and are ideal for beginners and experienced investors alike.”

Investing for Beginners: [What First-Time Investors Need To Know](#)

Don’t Throw Good Money at Bad Money

“This statement means that you shouldn’t waste money on something that isn’t working,” said Lana Hinds, a financial counselor in South Carolina.

For example, she said, someone with a spending problem shouldn’t strive to earn more money just to accommodate their overspending.

“They should instead address the root, which is poor spending habits,” she said.

She said another example would be when someone takes out a home equity loan or a consolidation loan to pay off credit card debt, while continuing to misuse credit cards.

“The moral of this story is to address the root of the problem, rather than compounding it with a costly Band-Aid,” she said.

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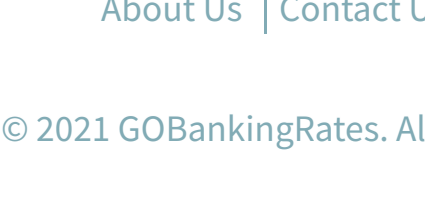

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