The STEWPOT

A POTPOURRI OF PRACTICAL IDEAS *to help you become a better steward*

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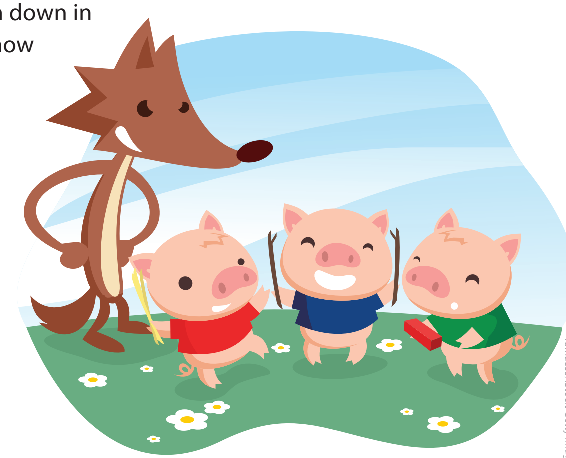
Fairy Tale FINANCES

BY GORDON BOTTING, DRPH, CHES, CFC

Many of us grew up listening to fairy tales told to us by our parents and grandparents. Originally, most fairy tales were passed from generation to generation through word of mouth. They often weren't written down for many years. The stories were created to teach children about values such as kindness, humility, endurance, love of family, and the triumph of good over evil. In modern times, many of these fairy tales have been rewritten by Hollywood writers, who want to make a lot of money, and the stories have lost their original significance.

THE THREE LITTLE PIGS

"Three Little Pigs" was first written down in the mid-1880s, but the version we know today was published in 1890. The mother of three little pigs tells her children that they have to leave home and seek their fortunes in the world. Each of the pigs builds a house of his own. The first pig builds one of straw, but a wolf comes along and demands to come in. When the pig refuses, the wolf blows down the house and eats the pig (or, in happier versions, the pig runs



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STEWARDSHIP is a total lifestyle. It involves our health, time, talents, environment, relationships, spirituality, and *finances*.

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RESOURCE*wikipedia.org/wiki/The_Three_Little_Pigs

SCRIPTURAL APPLICATION

The story of the three little pigs reminds me of the parable of the talents (Matthew 25:14-30). The comparison is not a perfect fit, of course, but bear with me. I'd call the servant with one talent a "straw" individual and the servant with five talents a "brick" individual. The story points out that the "straw" man was careless and negligent in his use of money. He stepped away from his stewardship responsibility for the money the master had given him.

On the other hand, the master praised the five talent or the "brick" man for his responsible assertiveness. He not only congratulated him for his money-savvy attitude but also rewarded him with more financial opportunity. "So take the bag of gold from him and give it to the one who has ten bags. For whoever has will be given more, and they will have an abundance" (Matthew 25:28, 29, *NIV*).

As God's stewards, may we seek to do the right thing with our finances and learn to be wise with our money.

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Gordon Botting, Director

away to the third pig's house). The second pig builds a house of sticks, and the same thing happens. The third pig builds a house of bricks, which can't be blown down, so the wolf decides to come down the chimney. However, the third pig has a huge caldron of boiling water in the fireplace, which kills the wolf (or makes him get up and run away in the less violent versions of the story).*

The primary moral lesson taught by this tale is that hard work and dedication pay off. The first two pigs quickly build their homes so they can have more free time to play, while the third pig labors for a long time to construct his brick home. Children who listened to this story were supposed to learn the values of industriousness, planning ahead, and taking the time to do something right.

Each of the **three little pigs** represents a different financial personality.

LESSONS FROM THE THREE LITTLE PIGS

I believe that this fairy tale can also serve as an allegory for the ways that various individuals and families manage their finances. Each of the three little pigs represents a different financial personality. Individuals and families with a **straw mindset** have very little understanding of money management and really struggle. Those with a **stick mindset** are often too preoccupied with life to worry much about personal finances, so they are mediocre in their approach to money management. Those with a **brick mindset** see their finances as an integral part of their lifestyle and take the time to spend proactively and save for a rainy day or a sunny retirement.

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Straw-house individuals and families:

• Don't know what they earn, so they never know what they spend, which in most cases exceeds their income.

• Rarely pay their credit cards on time and only pay the minimum. They pay additional fees for being late with their monthly payments, and they exceed their card limits.

• Often pay their house mortgage or rent late.

• Drive high-priced luxury cars, and the total cost of their vehicles exceeds more than 60 percent of their income and thus takes up far too much of their spendable income.

• Own the latest electronic devices, including phones and laptops, and pay ongoing hefty payments each month for services.

• Accrue over-the-top utility bills because they forget to turn off outside lights and leave lights on throughout their homes.

• Have student loans of over $60,000, which will take them decades to pay off—plus thousands of dollars in interest. Sometimes they don't complete their degrees, or they earn diplomas that have no worth for potential careers.

Stick-house individuals and families:

• Know what they earn, but often fall off the financial wagon. They are always trying to improve their economic standing.

• Pay their credit cards on time, but usually only the minimum with no extra fees.

• Pay their house mortgage or rent on time. Those making mortgage payments add no additional disbursement to pay off their house early.

• Drive moderately priced cars, and the total cost does not exceed 40 percent of their yearly income.

• Use moderately priced electronic devices and make reasonable payments each month on their telephone and Internet services.

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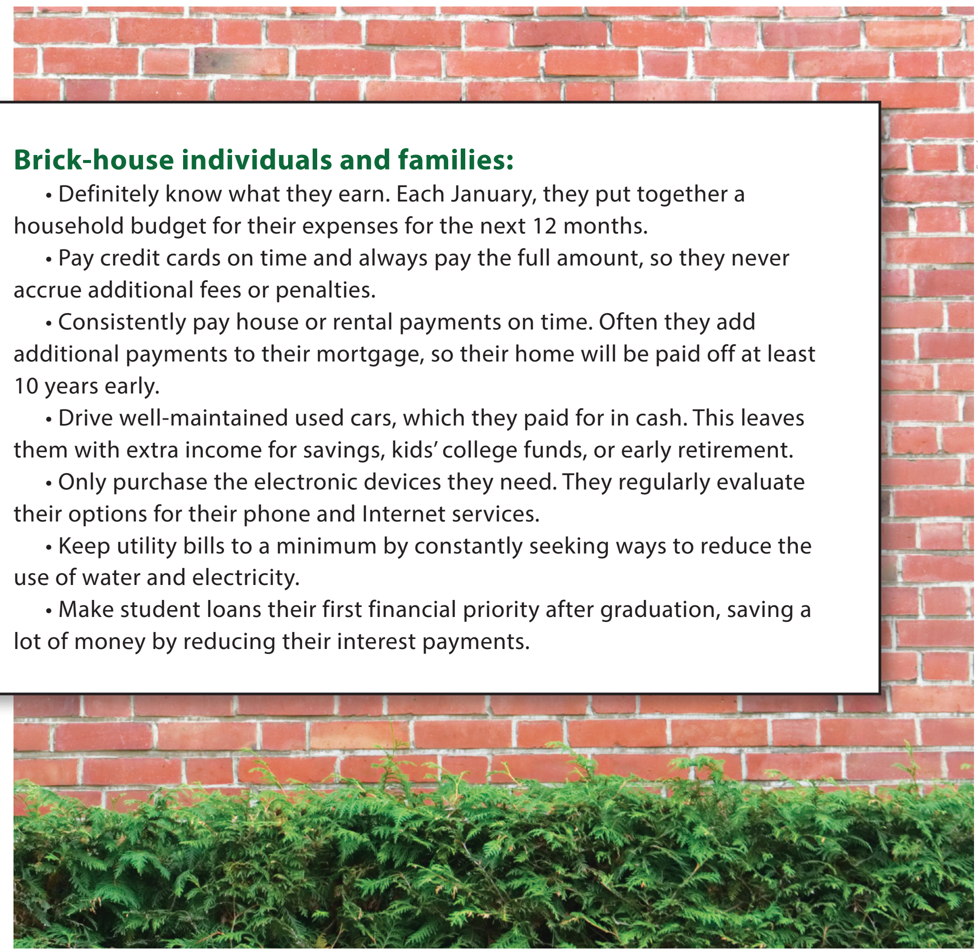
• Make it a practice to turn off all unnecessary lights throughout their homes to avoid high utility bills.

• Owe more than $30,000 in student loans, which they attempt to pay off as fast as they can; however, they are often hit and miss in their payments and end up with high interest payments.



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Brick-house individuals and families:

• Definitely know what they earn. Each January, they put together a household budget for their expenses for the next 12 months.

• Pay credit cards on time and always pay the full amount, so they never accrue additional fees or penalties.

• Consistently pay house or rental payments on time. Often they add additional payments to their mortgage, so their home will be paid off at least 10 years early.

• Drive well-maintained used cars, which they paid for in cash. This leaves them with extra income for savings, kids' college funds, or early retirement.

• Only purchase the electronic devices they need. They regularly evaluate their options for their phone and Internet services.

• Keep utility bills to a minimum by constantly seeking ways to reduce the use of water and electricity.

• Make student loans their first financial priority after graduation, saving a lot of money by reducing their interest payments.