

debt, charge, and credit cards in full every month.

- Engage in your grandparent's penny-wise saving principles of placing a few dollars every payday in your Freedom Fund (See April 2009 *Stewpot*), so you don't have to rely on a high interest credit card for emergencies.
- Begin savings accounts for major items like automobiles, 529 educational savings accounts for college for your children, and for other dreams, such as your own business or early retirement to serve as a missionary, home side or overseas.



happy. In my financial seminars, I often point out that though the richest men and women in the world may have a grand mansion and additional homes, drive many luxury automobiles, and enjoy the best culinary cuisine, yet when you boil it down, they can only sleep in one bed at a time, drive one vehicle at a time, and eat only one meal at a time. The real answer to our materialistic lifestyle is enjoying family and friends, spending time with children or grandchildren, and giving back to society through acts of volunteerism. Use whatever dollars or time you can spare to enhance your connection to those you love and care about.

Using the above-suggested steps to improved money management will make even this recession a positive experience for you.



### Be Community-Minded

One of the best answers for this current financial meltdown is to recognize that possessing more material things does not make one

"If our grandparents lived through the troubling 1930s and our parents survived a major war, we can live through this economic hiccup."

Gordon Botting

# The Stewpot

A potpourri of practical ideas to help you become a better steward

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## THRIVING IN THIS RECESSION

By Gordon Botting, DrPH, CHES

When my children were of elementary school age and when we had been traveling for a number of hours, they would often ask this common kid question, "Are we there yet?" I think many of you may be asking that same question now about the economy. The best guess by most money management experts is that the economy may turn around by the end of this year or early next year, and it may even take two to five years before we are really out of this current recession.

While we are in this financial situation, it might behoove us to tighten our belt and be more cautious. The goal of this issue of the *Stewpot* is to help you through the next six to twelve months by looking at your household finances and reminding you how to "stay the course"!

### Be Grateful

For the majority of individuals and families in the United States, their homes are not in foreclosure, they have not been placed in receivership or declared bankrupt by the local court, nor have they found themselves in unemployment lines. Even in the Great Depression of the 1930s, over 75 percent of Americans were still employed, compared to 85 to 90 percent today. If you are



currently employed and have a roof over your head, you can bow your head and with a grateful heart thank your Heavenly Father for the blessings of a job, a home, and loved ones. In the past, you may have had a long list of things you wanted, and dream trips and journeys you intended to take, but now you find yourself simply grateful for life, friends, and family. Reflect on the difficulties and problems you may have

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

faced in the past, but with God's blessing and deliberate and purposeful financial planning, you survived those experiences. In the same way, you will outlast this current crisis and come out the other side a more astute and prudent person in your money management, as well as in other aspects of life.

### Be Practical

It's an excellent time to discover or rediscover the benefits of a household budget. If you don't like the word "household budget," call it a "spending plan." Take out a sheet of paper and list every item you would have in a regular household budget. Like a newspaper reporter, you need to ask the "when, where, why, and how" questions. Begin with the largest dollar items and work down the list to the smallest. Here are a few suggestions:



### Mortgage or Rent:

- Under the new federal government housing plans, can you reduce the current interest rate on your home? One percentage point might make a difference of \$100 to \$200 dollars a month.
- If you have a spare room, could you rent it to a student or an employed single person?

- If you are currently renting, are there apartments listed for much less than you are paying?



- In some instances, it may only take a few more dollars to avail yourself or your family of the opportunity to purchase your own apartment or home.
- Has your house value dropped sufficiently so you would be able to lower your property taxes and no longer have to pay the mortgage insurance to your loan company?

### Vehicles:

- Ask yourself:
- Do we really need two or three vehicles?
  - Is local transportation available?
  - Could I carpool with a neighbor or coworker?
  - As a family, are we combining our trips to the doctor or dentist, local grocery store, school sports function, etc.?
  - Have you compared your current insurance rate with at least five reputable insurance companies?

**Household Supplies:** You can lower expenditures for grocery and other supermarket items by using the following ideas:

- Try retail coupons. It is estimated that only four to ten

percent of all coupons are redeemed. If you purchase coupon items when they are on sale, you can often double your savings and occasionally receive items for free. My experience has been that our family has saved approximately \$20 to \$30 per one hundred dollars purchased.



- Acquire items you regularly use in your home on sale, and purchase an adequate amount to last about three months, as most supermarkets or drug stores have a three month sale cycle for merchandise.
- Keep in mind that grocery items in a can or package will cost you two to ten times the amount when compared to purchasing in bulk and cooking the food product yourself from "scratch."
- Overall, simply rediscover the merits of being thrifty by using produce that is on sale or seasonally inexpensive, watching for discounted items, and



never purchase clothes except when on sale.

### Other suggestions:

- Instead of eating out, crack open those unused cookbooks and try some new recipes. Make the change today from "house-made" at your favorite restaurant to "home-made" in your own kitchen.
- Reduce utility bills by planting shade trees, using different lights, increasing insulation, and switching off the air-conditioner when it's not essential.

### Be Frugal

Debt is definitely "out" in today's money management predicament!

- Before you buy anything, ask yourself hard questions, such as, "Will anything terrible happen to me if I don't purchase this item today?" or "Is this really a necessity, or just a want?"
- Cut up unnecessary credit or charge cards and pay the rest of your

"The two top answers to questions on success and quality of life were 'spending quality time with family' (88%) which was followed closely by 'having a good relationship with your spouse or partner.' (86%)." — Northwestern Mutual Survey