

## Chapter 1

### Yes, It Is Possible to Become Financially Free

*“If you are born poor it’s not your mistake, but if you die poor it’s your mistake.” Bill Gates*

A deeply religious widow, (whom we’ll call Ms. Bessie), from one of the poorest counties in Louisiana, called me in tears. “Sheriff say I got to file bankruptcy. Court say I got to take your class first, but I ain’t got no money. Sheriff say he got to sell my land next week ‘less the court tell him I can stay.” Once I got Ms. Bessie calmed down a bit, we discuss her precarious situation. Her husband’s life insurance had paid off the mortgage on their mobile home and land, and had paid the property tax which was due at the time of his death.

When property tax bills were mailed out the following year, Ms. Bessie set it aside because she wasn’t sure what to do with it. Her husband had always taken care of things like that. With the passage of time, she forgot about the bill. Another year rolled around, and another property tax bill arrived in the mail. It too sat neglected. The pattern repeated itself again. Unfortunately, not fully realizing the consequences of her decisions, she was now almost 4 years delinquent in paying her property taxes.

We worked through the details of her income and expenditures. She drove an old car maintained by her auto-mechanic son. She worked at the local grocery store where she was allowed to take home food items slated for disposal. “Cuttin’ off ‘em bad spots don’t bother me none. ‘Sides, sour milk make the best biscuits and chocolate cake ever!” The last time she bought a brand new dress was for her husband’s funeral. She lived very frugally – except for the money

she paid in tithes and offerings. Almost 30% of her income was being given to her church. In addition to the 10% she paid in tithing, she was giving to the building fund, the youth ministry, the food pantry, and 2 missionary groups.

I explained to her that the government didn't care how much she gave to the church. They wanted their taxes. We had a lengthy discussion about the principles of tithes and offerings as taught in the Bible. We then created a spending plan enabling her to pay the property taxes when due and still follow biblical teachings.

I juxtapose this humble widow to a family I counseled in Ft. Worth. They had just purchased a brand new home on a 2 acre lot. They had a late model SUV, a late model truck, a motorcycle, and 3 dirt bikes. The husband had a good paying job, and they had a year's living expenses in the bank. They loved NASCAR, and frequently attended races at Texas Motor Speedway. Because the wife did not like to cook, they ate out at least twice a week. Their children were involved in several extracurricular activities. Their parents lived in other states, so at least every quarter they paid for one of them to come out for a visit because they wanted their children to have a relationship with their grandparents. They were regular church goers, but did not pay any tithes or offerings. When asked why, the husband responded, “We can't afford to.”

I was going to meet with this family at their minister's request. The minister explained, “We need a new roof and air conditioning system for our sanctuary. I'm asking everyone in our congregation to dig deep and pay a full tithe. What do you, as a financial educator, say to people who tell you they can't afford to pay tithing?”

“I usually don't say much of anything,” I answered. “I guide them through a journey of self-discovery taking a deep dive into all aspects of their personal money management, goals, and priorities.”

The minister thought for a moment then said, “I’ve found that most people would rather talk about their worst sexual transgression than their money problems – even when money fights are destroying their marriages.”

With a smile, I had to nod in agreement. Then, remembering the God-fearing widow in Louisiana, I said to the minister, “Jesus taught that where our treasures are, there will our heart be found.” (Paraphrased from Matthew 6:21, King James Version of the Holy Bible.) This time, the minister nodded.

So what and where are your treasures?

The economic stimulus packages and moratoriums issued as part of the federal government’s response to the coronavirus pandemic created more financial bondage than any other governmental action since the New Deal. Don’t get me wrong. There were people who genuinely needed help. While the intent was touted as benevolent and necessary to keep the economy from totally collapsing, it only delayed the inevitable. The time has come to pay the piper.

One consequence of governmental actions as part of the CARES Act, was millions of people suddenly found themselves with more money in their pocket from the government than they made working. The incentive to work was taken away. “Why work when the government will just give me money? Not only that, but the government won’t allow my landlord to evict me if I don’t pay the rent.” (The government also did not allow foreclosures when mortgage payments became delinquent.) Therefore, in order to hire the employees needed to keep their businesses operating, employers had to increase compensation. Working had to be more lucrative than not working.

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Another consequence was producers were not allowed to raise prices during the pandemic as they might otherwise have done. As a result, when certain ceilings were lifted, everyone started playing catch-up. If you’re like me – and everyone else I know – inflation has really kicked you in the backside and has you dreading the momentary arrival of each new bill. For millions, last year was a boom to bust year. Utilities, mortgage rates, transportation, and groceries have all seen double digit price increases.

I could show charts and graphs tracking the rate of inflation over the past couple of years, but you know as well as I do numbers published by the government are often a joke. They obviously don’t purchase eggs, milk, bread and laundry detergent on a regular basis. Using myself as an example, the following table shows a few of the price increases I’ve dealt with at my local Walmart.

Item	June 2022	December 2022	% Increase
Dozen large brown eggs	\$ 1.96	\$ 4.23	116%
Gallon 2% milk	\$ 3.44	\$ 3.06	-12%
Sara Lee Bread	\$ 2.98	\$ 3.46	16%
Arm & Hammer Laundry Detergent	\$ 8.87	\$ 9.48	7%
Total	\$17.25	\$20.23	17%

I don’t know about you, but my income did not increase 17% during that 6 month period. Did yours?

Are you financially free? This old cartoon is as applicable today as it was when it was first published 20 years ago.



If you worry about money, you are not financially free. When you worry, you tend to look at the worst “what-ifs” in life and become very pessimistic. Worry is an emotion – a useless emotion because it can keep you from moving forward, from gaining control over your life, and from reaching your goals. This can have a devastating impact on your life, especially if your current financial problems are putting a strain on your interpersonal relationships.

Are you struggling to make ends meet - *again*?

Have you ever wondered how you can afford to even live?

So how do we thrive – not just survive – inflationary times when the cost of everything is going up much faster than our income? We go back to the basics:

- Differentiating between “needs” and “wants”
- Creating a realistic spending and savings plan
- Implementing your plan
- Reviewing and adjusting the plan

➤ Repeating the above actions as life changes

The pandemic forever changed our lives. It changed the way millions of people make and spend money.

One of the biggest challenges many face today is the uncertainty of various debt forgiveness programs and moratoriums the federal government enacted. To you I say, pay your debts now and get it over with. It’s going to cost you one way or another. Remember, a debt “forgiven” will ultimately be recovered through increased taxes, interest rates, costs of goods and services, etc. The moratoriums issued, such as the one for student loan payments, postponed payments. They did not always stop the accumulation of interest. They did not make the debt go away.

Nothing is ever truly *free*. This has been true since the beginning of man. Once Adam and Eve were cast out of the Garden of Eden, they had to toil by the sweat of their brows for their sustenance. Yet, we’ve grown accustomed to having a plethora of “freebies” – otherwise known as “benefits”.

Another challenge facing consumers today is the recension of many “free” benefits. I recently received three email notices of *changes to benefits* for various services and accounts I have. One of them was from a MasterCard I use for online purchases. Probably like you, I usually just click my delete icon without bothering to pay attention to the change. I can’t do anything about it anyway. Right? But because I’ve received so many notifications of changes recently, I decided to actually open the email and read what changes were taking place.

This particular MasterCard notified me that three of their benefits for card users, **purchase insurance, master rental waiver and worldwide automatic travel accident**

**insurance, baggage delay insurance, and trip cancellation interrupted insurance** will no longer be available as of a certain date. No big deal, right? Not necessarily.

Now in and of itself this notification may not seem too bad because I haven't rented a vehicle recently nor have I done any traveling over the last year-and-a-half. But when I did travel a lot, I counted on these insurances in the event of an emergency. I actually used this benefit once when I went to conference in Orlando, Florida but my luggage went to Miami. The conference was over by the time my luggage caught up with me, so it was nice to have this small **baggage delay** insurance benefit to help cover the costs of the things I had to purchase in order to get through the conference.

The loss of the **purchase insurance** benefit is the one which really scares me. Probably like you, I've made increasing numbers of online purchases since the pandemic started. I used this particular MasterCard with the confidence that if there was ever a problem with a purchase, I would be able to get a refund and have the problem made whole.

So why are these seemingly *free benefits* no longer going to be available? The answer is because they never were free! The company providing the insurance protection to MasterCard for these benefits charges for them. The costs have increased so much since the pandemic started in early 2020 that it is no longer cost effective for this particular MasterCard to provide them to their customers without increasing fees, interest rate, or a combination.

I spent almost 20 years as a certified financial educator teaching financial literacy to people from all walks of life who were struggling to make ends meet. Some of my clients were paper millionaires without enough cash to make their debt payments. Some of my clients were doctors and dentists with tons of student loan and business debt while driving E-class Mercedes. Unfortunately, many of my clients were widows who had fallen prey to scammers. I have had

clients who were generational welfare recipients yet somehow managed to obtain credit cards, or had been bilked by pay-day loan companies. I have counseled immigrants working hard for their American dream. I have sat with inmates filing for bankruptcy protection after paying court fees. However, the vast majority of those with whom I worked were people with good incomes, but whose spending habits were completely out of control. Most of them were under the impression they could become financially free simply by consolidating all of their debt or by filing bankruptcy. Unfortunately, the temporary relief felt was just that – temporary.

What exactly is financial freedom?

Financial freedom means you are in control of your money. Your money is not in control of you. You choose when and how you are going to make your money. You also choose when and how you are going to spend your money. You do not care and are not overly influenced by what other people think about how you make or spend your money. Everything is legal. Everything is above board. You render unto Caesar that which is Caesar’s, and you return to God a portion of all He has given you. Every decision you make with regards to money is made with deliberate conscious thought. You are not controlled by your emotions nor those of others. You are not mired in debt and hounded by debt collectors. You acknowledge work is good for the body and the soul. You teach your children how to work, how to save, and how to spend one wisely.

Financial freedom is a mindset. When you are financially free you do not look down on others who may have less or more than you. You give thanks to God above for all the blessings He has bestowed upon you. As you move forward and upward you lift those around you. Those who struggle you help by teaching them how to fish.



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When you are financially free greed has no place in your heart. Nor does envy. You do not covet what others have. You determine your own goals and priorities. You enjoy life. You acknowledge that at some point in time you will pass on and the only thing you will take with you is what is within your soul.

When you are financially free you do *all* you can to be self-reliant throughout your journey on earth. You understand the cost of convenience. Convenience has become a commonplace luxury for the recipients and a revenue generator for the provider. When you're financially free you are not a leach on society. You are a contributor to the greater good.

So, what is your status quo?

Think about your spending and savings habits. Have they changed much since the pandemic started? Are you better off now than you were before the pandemic?

The following tool will help you assess your personal style of handling money. Answer each statement by yourself. Then go through them again with your spouse or significant other. Are all of the answers the same? (Note: The *Financially Free in 23 Weeks Stewardship Workbook* contains all of the forms and other tools contained in this book plus so much more. Digital resources can also be found at [www.financiallyfreein23.net](http://www.financiallyfreein23.net).)

FINANCIAL FREEDOM CHECK-UP			
Review each statement to get a picture of your FINANCIAL STATUS QUO			
	True	False	Sometimes
I have a written budget.			
I set aside at least ten percent of my income for savings and investing.			
I contribute the maximum amount to employer sponsored pension plans in order to get the maximum contribution from employers every year.			
I avoid spending money to make myself feel better.			
I make a list and plan all household and grocery spending in advance.			

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<b>FINANCIAL FREEDOM CHECK-UP</b>			
Review each statement to get a picture of your <b>FINANCIAL STATUS QUO</b>			
	True	False	Sometimes
I follow a written budget.			
My spouse/significant other and I pay our bills together.			
I avoid using overdraft.			
I avoid going into debt for entertainment purposes, including vacations.			
I make no more than one trip a week to the grocery store.			
I use manufacturer's and retailer's coupons when possible and send in for rebates.			
I avoid paying fees and tips for local delivery services.			
I avoid purchasing items I do not normally use just because I have a coupon for the item.			
I look over sale flyers and comparison shop before I spend, especially for food and household items.			
I comparison shop insurance policies when they come up for renewal.			
I have enough liquid savings to pay all insurance deductibles when they occur.			
I pay credit card purchases in full when the statement arrives and never pay interest charges or late fees.			
I know how much I am paying for each subscription service used in my household.			
I keep banking and shopping receipts, even for smaller purchases and record all of my expenditures.			
I can always distinguish the difference between a “want” with a “need”.			
All members of my household help set our financial goals.			
I only use my debit card when there is money in my checking account.			