

"Your family should have something to rely upon if you should be brought into straitened places." — Ellen White, 2 SM, 329.4

HAVE A FREEDOM FUND. The good news is that Murphy's Law does sometimes work in reverse: when you have your *Freedom* *Fund* fully vested, it seems financial challenges vanish and you no longer have to live on the Edge.

References: Mary Hunt's book *Debt-Proof Living* and www.americasavesweek.org.

Kids Korner



Hey Kids, see if you can find the following words that relate to money (the words may be vertical, horizontal, backward, forward, diagonal):

economy money saving bank credit debt usury

E	X	U	S	R	A	N	K	Y	S	T	G
B	C	S	A	V	I	N	G	L	O	X	P
A	R	O	D	I	T	B	I	N	K	D	Y
N	Y	E	N	O	M	V	V	R	Q	E	P
K	A	Z	B	O	N	E	W	E	A	B	X
T	R	E	S	M	M	S	S	T	D	T	S
P	U	S	U	R	Y	Y	G	W	H	J	O
O	T	I	D	E	R	C	P	R	H	I	X

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The Stewpot

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

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AVOID THE EDGE

By Gordon Botting, DrPH, CHES



A story is told of a very wealthy gentleman who lived in a palatial mansion, on a high mountain, overlooking the surrounding valleys. The only problem was that reaching his gorgeous manor house required traveling along a very narrow winding road with a steep mountain slope on one side and sheer drop off on the other. Due to the early retirement of his current chauffeur, he placed an ad in his local paper for a new limousine driver. When he conducted the interviews, he asked each person one very important question, "How close can you safely drive along the edge of my winding road?" The first prospect responded, "Sir, I can drive within two feet of the edge and feel perfectly safe." The second individual answered, "Sir, I can drive within twelve inches of the edge and you will be safe and sound." The third person replied, "For your protection, Sir, I guarantee I will drive as far away as is possible from that edge and keep you and your family out of harms way." The last applicant became the new driver.

Edge is a miserable and desolate place to live. Individuals who exist from one paycheck to another live there. People who have no financial plan hang on for dear life at the Edge. People who continually max out their credit cards barely survive falling off the Edge.

A Freedom Fund

The remedy for living on the financial Edge is very simple: Just move away! Not two feet, not

What about you? Are you living too close to the Edge? The

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

"One who thinks that money can do anything is likely to do anything for money." — Anonymous

twelve inches, but as far away as possible. One thing that puts distance between you and your family and the Edge is a *Freedom Fund*. Some people call it a Contingency Account; others call it an Emergency Account. However or whatever you name this account or fund, it is for one important purpose — to save your financial skin when unexpected, unforeseen, and unanticipated expenses hit you broadside and threaten to push you over the Edge. The *Freedom Fund* is your personal debt insurance and the best alternative to using plastic.

Why do you need it?

There are a number of reasons to have this rainy day *Freedom Fund*. First, scripture admonishes us to do so: "The wise man saves for the future, but the foolish man spends whatever he gets" (Proverbs 21:20 TLB). Secondly, Ellen White reminds us that "every week a portion of your wages should be reserved and in no case touched unless suffering actual want" (2SM, 329). Finally,



according to current statistics, the typical amount the average American spent last year on those unexpected expenditures was \$2,000.

From a more practical viewpoint, it seems to me that when something breaks or needs repairing in my house, it usually comes in pairs or, even worse, in triplicate. Take your appliances. First, your refrigerator defroster stops functioning, then the toaster dies, followed usually by the hair dryer quitting — and you are already late for work. When these essential appliances need maintenance or replacing, most people immediately reach for their *only* emergency fund—a personal loan with very high interest called a credit card.

There are two more areas that will inevitably challenge your family finances: motor vehicle and medical crises. According to one national survey, two thirds of unanticipated expenditures are related to medical care and motor vehicles.

How to fund it?

Instead of borrowing for these financial crises, begin

putting money regularly into your *Freedom Fund*. Set a goal of \$25 per week or \$50 each payday until your *Freedom Fund* is fully invested. If you have trouble getting started, why not have a garage sale? You will be happily surprised that in one morning you may have as much as \$300 to \$500 as your first deposit.

How to maintain it?

Once you begin to save for your *Freedom Fund*, you may be tempted to start seeing it as part of your long term investments—it is NOT; it is simply money that is available for unforeseen financial emergencies. Here are the ABC's of this fund:

Availability—Because life's emergencies take us by surprise, your *Freedom Fund* must be in liquid cash. It needs to be in a bank or credit union account where you can get your hands on it immediately or, at the most, within twenty-four hours.

Be Safe—Unlike the stock market or mutual funds, your



Freedom Fund needs to be where its principal has no risk. Saving accounts are the safest, but they currently pay little to nothing in interest. One of the best places

to put this money is in a certificate of deposit (CD). A CD will pay more interest than a bank savings account but you are required to put it in for a set time period, such as 60 days, 90 days, or 1-5 years. If you must make an early withdrawal from your CD for an unanticipated emergency, the worst that will happen is that you will lose your interest for that period.

Continual Growth—

Because you will need your *Freedom Fund* for a lifetime, as a good steward you will always be on the lookout for places to put this money with the best compounding interest, yet still meeting the other two requirements.

Final words

Remember, no matter the crisis, even if you are up to your eyeballs in debt, YOU MUST

"Every week you should lay by in some secure place five or ten dollars not to be used up unless in case of sickness. With economy you may place something at interest." — Ellen White, AH, 396.2