

## These Economic Times and our Financial Literacy Quotient

Being financially literate is like planning a trip to drop off a book to a new acquaintance in the next city. If we do not know where our house is on the map in relation to where the acquaintance's house is on the map, how will we be able to navigate to our new friend's house to drop off the book?

Another analogy is baking a cake. If we do not have the recipe of what is required, how can we make the cake properly?

We can guess but what if we mistake the salt for sugar or use garlic powder instead of baking powder because that is what is in the cupboard, the cake will not turnout as expected.

The point being, we need to know what is in the cupboard, what the recipe calls for and then go get what we need to make a successful cake.

Go to the cupboard now. Write down all the income coming into your household. This includes your salary, interest earned on investments, etc. Now write down all of your expenditures, i.e. all the bills you pay, the mortgage or rent, heat, hydro, water, cell phone, regular telephone, etc.

Take a pocket book out and start writing down the money you spend on food, movies, coffee at Tim Hortons, magazines, books, newspaper, hockey games, lottery tickets, clothes, the car, etc. Do that for at least two months so you have a good idea as to where your spending habits are.

With a clear picture of where our money is going we can make intelligent choices on how to improve our money allocations to be in accordance with God's instructions as it relates to our faith and financial literacy for His kingdom.

## **Now, Work the Plan**

If at the end of the plan we do not have enough income then we need to do at least one or both of the following:

1. Increase income and/or
2. Decrease Expenses.

We need to adjust these numbers until we arrive at zero at the bottom of the difference between income and expenses.

So how do we increase our income? First determine how much we need. Some suggestions are take on a part-time job, ask for more hours at work, create a small independent business such as becoming a Mary Kay consultant where the investment is minimal and if you have a good director she will help you get started and work with you until you become self sustaining.

Find something you are good at like baking or making meatballs and sell them to your busy neighbours. Offer to do odd jobs for seniors at your church, deliver pet food or beer for a nominal fee. The choices and options are endless. Ask God to show you the opportunities and pray about it.

The other option is to decrease your expenses. If you are carrying large amounts of consumer debt start by cutting up your credit cards so you live on cash alone. If you aren't able to cover your expenses see about consolidating your debt with a loan at a lower interest rate but make sure you cut up your cards and do not get new ones. Interest rates are really low right now so it is a great time to do this.

Look at your living quarters. Are you using all your space effectively or is it mostly a storage unit. Are there items you are not using that could be benefiting someone else? Either sell them or give them to the less fortunate. Hanging on to items just in case you might need them one day such as old clothing or lights maybe adding to your stress and clutter levels.

With respect to clothing, if you are waiting to loose the weight you will probably want the new styles anyway so give the clothes to someone who needs them now. The same is true with gadgets. You will want the latest motorized tool when you need it so get rid of or sell the one sitting in the drawer at a garage sale.

If you are not willing to downsize your living quarters, then look at your other expenses. Heating – are you able to decrease the temperature during the night or day. Add a blanket or warmer sleepwear at night. During the day when you are not home, turn the temperature down to 65 degrees Fahrenheit.

If you do not have a programmable thermostat, do this manually before leaving for work and at night when going to bed. If you are having difficulty remembering, have a routine checklist you go through and tick off before going to work or bed. Take your lunch to work, make coffee at home and take a thermos or a kettle to work with tea bags. Drink water. We need to drink 8 glasses of water a day. This may be a good as time as any to start. We are talking about tap water which in most communities is free and safe to drink.

When looking at transportation, what is your car costing you? Shop around for a better insurance rate; increase your deductible in case of an accident. Move closer to work if you are presently renting so you can walk. This will save you time and gas if you have to drive. Learn to cook less expensive cuts of meat until

you get things under control. Experiment, make a game of it and challenge yourself. You can do it.

Take pride in how you look. Polish your shoes. They will look newer longer and will also last you longer. Make sure when you do a load of laundry, it is a full load especially if you are using commercial machines. Do smaller loads by hand. Consider hang drying your clothes.

Make your gifts for others. If family and friends do not understand you need to be conservative at this time, be understanding of their short sightedness, forgive them and move on. You have to live within your own financial limits. Let them know you are exercising your stewardship responsibilities.

Once you open up your mind and acknowledge this is a temporary sacrifice compared to what Christ did for you and that in due course God will bless you, you will be amazed at what you will be able to accomplish.