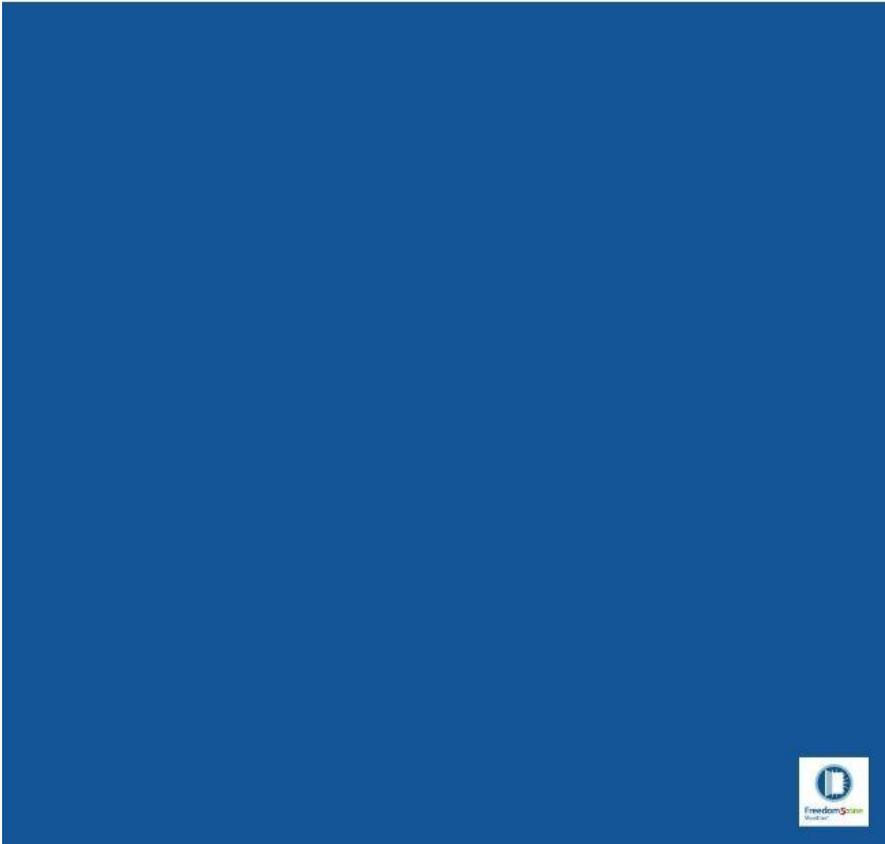




7 FINANCIAL IDEAS FOR WEATHERING A CRISIS

TIM HOWINGTON



7 Financial Ideas for Weathering a Crisis

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Tim Howington is just a regular guy who grew up in Texas and Arkansas. He describes himself as someone who has lived life like he played high school football- a little better than average. He lives with his wife Terri and son Josh in Rogers Arkansas. He has written a couple of e-books called the *Best of the Howitzer* and *How to Manage Yourself when There is no Money to Manage* and *Trouble*. All are available at [Amazon](#).

Scripture Quotations Taken from

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Table of Contents

Introduction

Idea One

Add to Your Savings

Idea Two

Be Generous

Idea Three

Curb Spending

Idea Four

Pay Debt Minimums

Idea Five

Look at Estate Plan and Insurance

Idea Six

Find Wisdom

Idea Seven

Go to God

Introduction

Crisis come in all shapes and sizes. As I write this, the whole world is experiencing the Coronavirus Pandemic. We are all huddled in our individual homes watching the news, trying to figure out when the government is going to give us the “all clear.” In this crisis, we are all struggling with the vulnerability of both our health and our finances.

If you happen upon this resource later, the crisis you may be experiencing may not be as life altering as a pandemic, but a crisis is a crisis, no matter the cause.

I assume the reason you are checking out this booklet is that you or someone you know is experiencing financial challenge. The content contained here is very basic and is meant to be a quick reminder of how to manage your finances in a crisis.

Our ministry has coached hundreds of families through many difficult situations—from sudden job losses, divorces, medical emergencies, transitions, and the like. We find there are a few basic things you need to be working through and evaluating. That is the purpose and content of this study. We want to help you work through 7 Financial Ideas for Weathering a Crisis.

We don't know what kind of problem you are facing. But we are sorry you are where you are, and we do hope this exercise will be helpful. If you would like to talk to a Freedom 5:one Financial Coach, go to our website (www.freedom5one.com) and contact us. We would love to help!

Here is the gist of this booklet:

1 ADD TO YOUR SAVINGS
When the rainy day is happening, hold on to as much money as possible. We are never sure how long it will rain.

2 BE GENEROUS
Look for opportunities to bless those around you. Share what you have from a generous heart.

3 CURB SPENDING
We all have a minimum number that it takes for our family to survive. In a crisis, identify that number and adjust to it.

4 PAY DEBT MINIMUMS
This is not the time to get out of debt. Pay the minimums on your debt. Stay current if possible. There will be time to accelerate debt payoffs later.

5 LOOK AT ESTATE PLAN & INSURANCE
Depending on what kind of crisis you are experiencing, it could benefit you to look at your estate plan and insurances.

6 FIND WISDOM
Wisdom is sometimes hard to find. In the financial realm, look at the Scriptures and financial experts. We have a number of resources on our website.

7 GO TO GOD
God is an ever present help in times of trouble. Seek the Lord in difficult times.



Idea One: Add to Your Savings

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1

ADD TO YOUR SAVINGS

When the rainy day is happening, hold on to as much money as possible. We are never sure how long it will rain.



This should go without saying, but Grandma was right. We should all be saving for a rainy day. When I was in high school, I lived with my grandmother. For my senior project, I had to interview someone who had lived through the Great Depression in the 1930s. So, I sat down with my grandmother at our kitchen table and helped her remember things that had happened to her 50 years prior.

One of the themes that came out of the interview was that using real money that you have in the bank (or the cookie jar) makes a difference in a crisis. She told me a story about how she had gone down to the company store (my grandfather was a foreman in a sawmill business), and the gentleman at the store implored her to put the groceries on a line of credit for her family. He said, “Mrs. Sasser, I know you and Pete are good for this, and this depression will all be over soon. Please charge some more food for your family.”

I love the way she told the next part of the story. She said, “So I told him—Mr. Store Owner, I don’t want to come out of this depression with a bunch of debt, so you just take my money, and send me on my way.” After the depression lifted many years later, my grandmother wasn’t still in debt for her groceries.

In a crisis, having real money is important.

Don't keep spending like you always have. If you have an opportunity to put some money aside, do it. We encourage our clients to have 3 "Buckets" of savings:

- Bucket 1—Setback Savings: This savings is designed to cover the expenses that are not as regular as a monthly bill but do come up frequently throughout the year. These are expenses such as home maintenance, car maintenance, medical bills, clothing, and Christmas.
- Bucket 2—Salary Emergency Savings: This savings is designed to cover 3-6 months of expenses in the event of a crisis. Can you imagine the relief of having this in place during a crisis such as this one? Work on gathering up these funds as quickly as possible.
- Bucket 3—Retirement Saving: This savings is designed to cover expenses once you have reached retirement age. Warning: Don't tap into this account too quickly. In a panic, I have seen people take money out of this account before they truly evaluated their situation.

Idea #1 is geared toward putting money into savings, not taking money out. As you are evaluating your savings strategy, determine where are you most vulnerable. Put aside any extra money you receive during a crisis. Target one of these savings accounts, depending on where you feel the most pressure. In a financial difficulty, the first two buckets are typically where the majority of us feel the most financial pressure, so be certain to pay extra attention to those when determining where to put money aside during a crisis.

In the instance of this pandemic, you might be able to put money aside in bucket 3 while the stock market is a buyers' market if you have plenty of money set aside in buckets one and two.

Everyone's situation will differ. Do what you can with what you have.

For some families, the extra they have is \$20. They should put it aside. They may need it.

For some families, the extra they have is \$200. They should put it aside. They may need it.

For some families, the extra they have is \$2,000. They should put it aside. They may need it.

For some families, the extra they have is \$20,000. They should put it aside. They may need it.

Idea Two: Be Generous

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2

BE GENEROUS

Look for opportunities to bless those around you. Share what you have from a generous heart.



I must tell you about a young couple I know. They are an inspiration to me. In the middle of this pandemic, he lost his job, and her hours were cut back. But they have a tremendous heart for generosity, and they view their giving as separate from their normal expenses. Said another way, their giving account is not intermingled with their living account. So, during this crazy time, they were able to give \$4,500 towards a cause that the Lord laid on their heart to give to. Wow!!

One of the things that helped them pull the trigger was that before the crisis they had been able to put aside 6 months of expenses in their Salary Emergency Account. Even considering that, their heart to give is amazing!

I am convinced that one of the great dignities of mankind is found in generosity. The desire to help is seeded deep in our hearts. To be sure, financial challenges can bring out the worst in mankind. Why else would two grown women fight over the last roll of toilet paper in the store. But it also brings out the best in us.

Let's look back again to the depression of the 30s. My wife's family had two different experiences. One part of her relatives stayed put in the community they lived in and weathered the storm. The other part left and looked for work elsewhere.

The families who stayed put during the depression had family and friends to share with, while the families that uprooted, looking for work, had the toughest experiences, as they struggled through the upheaval with other uprooted, financial-challenged strangers. The generosity of family and friends really made a difference in the lives of those suffering through the Great Depression.

In tough times, generosity might be money, but it is also time or maybe even a cup of sugar. Little kindnesses count during financial hardships. Find a way to bless those around you with a grateful heart.

Idea Three: Curb Spending

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3

CURB SPENDING

We all have a minimum number that it takes for our family to survive. In a crisis, identify that number and adjust to it.



If your family lost all your income, how much money does your family need to pay all your bills? This is an important number. This is your “**Survival Budget Number.**” This can give you hope or a target to shoot for in a downturn.

Let me illustrate, for a family of three that I have worked a budget with, their simplified budget is about \$3,500 per month. That is taking out all the fluff, such as eating out, concert tickets, etc... If they had to really tighten their belts, they could probably cut another \$500 a month before selling houses and cars.

The **Survival Budget Number** becomes a source of peace as they think through how many \$3,500s they have in the bank. If \$3,500s are in short supply, it helps them identify what they need to secure for them to literally live month to month on their Survival Budget.

You may not be at this level of need in your current situation, but this mindset can help you as you figure out how to curb your spending. Can you begin to make some adjustments to a new *TEMPORARY* normal? A recent Gallup Poll says that 2 out of 3 families have no working budget, so putting together a survival budget may difficult, but it is important.

On our website (www.freedom5one.com), we have a Financial Hotline with an online process to help you put together a Survival Budget. One of our coaches will even do a follow-up phone call to answer any questions you might have about the budget. And it's FREE.

Idea Four: Pay Debt Minimums

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4

PAY DEBT MINIMUMS

This is not the time to get out of debt. Pay the minimums on your debt. Stay current if possible. There will be time to accelerate debt payoffs later.



Dave Ramsey has made getting out of debt cool. His organization and resources have helped millions of families get debt free. Check them out at www.daveramsey.com. They have a great class called Financial Peace University, and we use his Total Money Makeover with all our clients.

However, during a financial hurricane is not the time to spend your extra money trying to get debt free. It is time to hunker down.

Our advice is to pay the minimum amounts on your debts. Stay current if possible. There will be time to accelerate your debt payoff later.

A few years ago, my family was going through a difficult time, and for the first time in my adult life, I was late on a bill. Not just one bill, but a lot of bills. Not just grace-period-late, but a month behind. Then one month became two months and then three months behind.

I was so ashamed, frustrated, disillusioned, and straight-up mad. Digging out of that kind of hole took every bit of courage and resolve that I could muster up. It seemed everything was caving in, and all I wanted to do was keep our head above water.

In fact, I wrote a book called *How to Manage Yourself When There is No Money to Manage* that chronicled our experience. (It is available for download on our Hotline for free.)

I remember a very embarrassing conversation with my family where we took a vote about whether to pay our mortgage or keep the lights on. We voted to keep the lights on.

Finally, we were 3 months behind on some of our bills. And then two months behind. And then 1 month behind. Then 15 days. Then we were current. We slowly clawed our way out of that predicament, and thankfully, we have not had to experience that again.

We learned a lot about ourselves during that time. We even uncovered a new family financial mantra. God has provided for us again! Every month when we pay all our bills (including our giving), we add another month that God has taken care of us. We have eaten every meal and paid every bill. At 57 years old, that makes 684 months in a row that God has provided for me!

We also learned a lot about how God is very comfortable with allowing us to struggle and, at the same time, takes care of every one of our true needs. He is stealthy about using financial crisis to develop my character.

Lastly, we also learned that taking care of business in the four walls of our home is essential. Not even the freedom of being debt free is worth making my family more vulnerable.

Idea Five: Look at Estate Plan and Insurance

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5

LOOK AT ESTATE PLAN & INSURANCE

Depending on what kind of crisis you are experiencing, it could benefit you to look at your estate plan and insurances.



I remember the first time my wife and I took a trip alone together after our son was born. We were headed to Kansas City for our anniversary. About halfway there, I turned to my wife and morbidly asked her, “I wonder what happens to Josh if we die on this trip.” That is not exactly what my wife had hoped we were going to talk about, but we realized our estate plan was not in place.

So, she grabbed a piece of paper, and in our best Arkansas-legalise, we drafted our first generation will. I am just glad we didn't die in a fiery crash that burned up our weak-cheese attempt at an estate plan. We were obviously ill prepared.

Depending on what kind of crisis you are dealing with, this may be a great time to review your estate plan or your insurances. How well-protected is your family?

I am not a lawyer, nor am I an insurance salesman. However, there are a ton of those guys around who would love to help you make sure you are taking the proper precautions. These days, you can even go online and draft a will or buy insurance. The big thing is to make sure what you want to happen *AFTER* the crisis happens like you hope.

If you need help to do a quick assessment for gaps in your coverages, please don't hesitate to contact us. We would be more than willing to walk you through the options that might benefit you the most. And we don't sell insurance by the way.

Idea Six: Find Wisdom

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6

FIND WISDOM

Wisdom is sometimes hard to find. In the financial realm, look at the Scriptures and financial experts. We have a number of resources on our website.



Proverbs says, “a wise man will hear and increase in learning, and a man of understanding will acquire wise counsel.” (Proverbs 1:5)

When I was a younger man, I ran across a story by Bob Biehl where he talked about growing up on lake Michigan. According to Biehl, the difference between a snowstorm and a blizzard is the wind. When the winds came whipping off the lake, a regular snowfall became a disorienting mess. They called that a blizzard.

I love that imagery. Because life gets messy at times, and we find ourselves in the middle of a raging storm, and we don't know where to turn. In times like these, we need someone to stop the wind. We need a break from the tyranny of the urgent and the pressure of creditor calls and the emotional toll that out-of-control finances cause.

We need wisdom.

We need to talk with an expert.

We need perspective.

We need a fresh set of eyes.

On our website, we have identified some great resources to help you. Wise men like Dave Ramsey, Randy Alcorn, Howard Dayton, Steve Shadrach, and Ron Blue.

We have also developed Bible Studies that are on the resource pages about finances. We have a study about financial wisdom from the Proverbs, from Jesus, and from the New Testament. Be sure to check these out.

One of the best resources is to talk about your specific situation with a person who is well-versed in finances. It could be someone at your church, your parents, or someone you respect who manages money well.

One of our coaches would love to help, too.

Then there is always the ultimate source—if you lack wisdom, ask God. James 1 says,

5 If any of you lacks wisdom, you should ask God, who gives generously to all without finding fault, and it will be given to you. 6 But when you ask, you must believe and not doubt, because the one who doubts is like a wave of the sea, blown and tossed by the wind. 7 That person should not expect to receive anything from the Lord. 8 Such a person is double-minded and unstable in all they do.

Idea Seven: Go to God

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GO TO GOD

God is an ever present help in times of trouble. Seek the Lord in difficult times.



The earth is the Lord's and all it contains, the world and those who dwell in it. Psalms 24:1

One of my favorite movies of all time is *It's a Wonderful Life* with Jimmy Stewart. Stewart is cast as the super-thrifty, ever-ambitious George Bailey, who has languished in his hometown and made a somewhat unassuming difference in the lives of everyone he knows.

The whole plot of the movie builds to the central crisis where George is in an excruciating financial difficulty in his business. The potential for ruin and scandal are everywhere. George (actually Uncle Billy) has lost \$8,000, which was a fortune in the 1940s.

He seeks help from Potter, his archnemesis in the movie, and is rebuffed. Additionally, he is told that because of his life insurance, he is worth more dead than alive. So, he begins to plot a swan dive off a bridge.

In desperation, George even goes as far as praying. Hear his prayer: "God, oh God, dear Father in Heaven. I'm not a praying man, but if you're up there and can hear me, show me the way. I am at the end of my rope. Show me the way, God."

The rest of the movie then shows George that because of his life of sacrifice, people were impacted everywhere, and he really had a wonderful life even if he was unaware of it.

It is interesting to me that sometimes it takes a financial catastrophe to get our attention. Many of us are just like George Bailey, and we turn to God in our hour of need.

I am so glad that He loves us and cares for us and is there to help us in our time of need. He is an ever-present help in time of trouble.

To be honest, I think God allows us to go through difficult times to pave the way for us to recognize our need for Him. He is for us and will come to our aid. He is willing and able to take care of our every need.

I love how Jesus describes God's interest in meeting our needs in Matthew 6.

²⁵ “Therefore I tell you, do not worry about your life, what you will eat or drink; or about your body, what you will wear. Is not life more than food, and the body more than clothes? ²⁶ Look at the birds of the air; they do not sow or reap or store away in barns, and yet your heavenly Father feeds them. Are you not much more valuable than they? ²⁷ Can any one of you by worrying add a single hour to your life?

²⁸ “And why do you worry about clothes? See how the flowers of the field grow. They do not labor or spin. ²⁹ Yet I tell you that not even Solomon in all his splendor was dressed like one of these. ³⁰ If that is how God clothes the grass of the field, which is here today and tomorrow is thrown into the fire, will he not much more clothe you— you of little faith? ³¹ So do not worry, saying, ‘What shall we eat?’ or ‘What shall we drink?’ or ‘What shall we wear?’ ³² For the pagans run after all these things, **and your heavenly Father knows that you need them.** ³³ **But seek first his kingdom and his righteousness, and all these things will be given to you as well.** ³⁴ Therefore do not worry about tomorrow, for tomorrow will worry about itself. Each day has enough trouble of its own.

Our heavenly Father knows exactly what we need and will give us our needs.

But we do need to seek Him. Listen to Jesus in Matthew 7:

⁷ “Ask and it will be given to you; seek and you will find; knock and the door will be opened to you. ⁸ For everyone who asks receives; the one who seeks finds; and to the one who knocks, the door will be opened. ⁹ “Which of you, if your son asks for bread, will give him a stone? ¹⁰ Or if he

asks for a fish, will give him a snake? ¹¹ **If you, then, though you are evil, know how to give good gifts to your children, how much more will your Father in heaven give good gifts to those who ask him!** ¹² So in everything, do to others what you would have them do to you, for this sums up the Law and the Prophets.

Who knows? Maybe your current situation will turn out to be a great blessing. You may have a front-row seat to seeing how much God cares for you and has your back.

If we can help you navigate these difficult times. Please contact us. We would love to help!

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