
How Much Is Enough?

◆ Issue #17 ◆ Douglas E. Reese

Personal Financial Stewardship

Last month's questionnaire has generated some interesting feedback from readers, concerning various areas of personal financial planning and management. In this month's issue I would like to expand on this theme by addressing "Personal Financial Stewardship." I choose to use the term *stewardship* in place of planning and management, because it has a much more significant meaning to me, in the context which I use it.

For me, *stewardship* means "active participation in the use of resources entrusted to you." A more expanded meaning which is difficult for me to put into words, encompasses the idea of being a participant in your own life, choosing to be involved in the decision making process of how resources which come your way, will be dealt with by you, as one entrusted with caring for the resource. This resource may be money, as is my area of focus. Or the resource may be a matter of time, information, a relationship, a significant event.

In each of these matters, there is a definable resource involved, with which you have been placed in a position of trust (Covey defined *stewardship* as "*a job with a trust*"), and it is in our hands to decide how you will use such resources. Let me share a few examples to clarify this point.

- You are going to get a tax refund this year, to your (delighted) surprise. You had not planned on this money coming to you. Recently, factors have contributed to your feeling "less than adequate" in your personal financial stewardship. Issues such as spending more than is in your budget, not clearly knowing if you are on track with your long-term savings goals, and high debt than your comfort zone allows. How will you choose to use this resource (i.e. tax refund dollars)? Will you pay down debt, add to your savings, go shopping, buy something to "feel better"?
- You and your business partner have signed a partnership deal which involves a formula for figuring out who pays what, who gets what. As the months pass you both are working hard to make the partnership successful, but somehow the numbers are getting out of balance and you're not even sure if the numbers are right. You each begin to feel uncomfortable with the imbalance, not knowing quite where the other stands on the issue, not really wanting to confront it. The partner who seems to "owe" is feeling guilty for being the burden. The partner "owed" is feeling uncomfortable carrying the burden. How do you use the resources (i.e. financial data, communication, the relationship, the business agreement and possibly outside help) to regain "balance"? Do you ignore the problem and hope it gets better? Do you begin to act differently with one another? Do you attack it head on and get the issue resolved?

- You have friends who have recently married. You and your spouse, married 10 years now, enjoy being with them and seeing their excitement of a new marriage, which reminds you of your excitement in the early days. At their 6 month anniversary they invite you to join them for a celebration dinner. As the evening unfolds the sense of love and excitement are present, but a new topic surfaces. They admit to you that money has become a significant factor in their evening discussions, and it is becoming a problem in their relationship. It's not a problem of too little money, but more an issue of how each of them is making decisions regarding money, and how it impacts the other. They seem to be asking for your input, as a couple who they admire and respect. You and your spouse are silently agonizing over how to respond, knowing that after 10 years you two still have not confronted this monster of a topic in your own marriage, and have nearly split up twice because of money matters. How do you use these resources before you (i.e. friendship, trust, history, opportunity to help self and others) in responding to the matter? Do you tell them they may need a financial advisor? Do you simply try to make them feel better, letting them know it'll all work out over time, and return to casual conversation over dessert? Do you open the door to more intimate sharing of your own experience, sharing real life examples of how money has impacted you?

In each of these examples there is a resource, or multiple resources involved, which have been placed in a position of care and trust...in your hands...awaiting your decision as to how you will respond, how you will use the resources and the opportunity. I don't want you to get the idea I am leading you towards any direction of specific decision making. I do not have a "golden rule book of personal financial stewardship." In fact, in my years of experience dealing with many different kinds of resources, many scenarios, many lives involved, I often see decisions made which do not make sense from a "money perspective." The truth in my own model is, we each must make a decision, each time we come in contact with an opportunity which involves stewardship. Your decision will impact others as well as yourself. Your stewardship influence (which I addressed in a past issue) should not be ignored, nor should the subsequent impact be taken lightly.

Each of the examples I shared above are true stories involving real people with whom I've had the privilege of working. In each case I saw a potential relationship destroyed, or at least seriously negatively impacted, because of the power we as human beings have chosen to give to *money matters*. I've seen marriages end over it. I've seen businesses thrive from it. I've seen people give it away and help so many. And I see it, each day, take away so much energy and personal freedom, from so many people.

Money is a powerful resource. It has so much power because we as a society have chosen to give it that power. My hope is we'll harness a larger resource of MONEY MATTERS, and begin to view them as an integral part of our lives, no different than our health, our relationships, our work, our play. And that we will each begin to find the personal sense of responsibility and selective judgment, to use this powerful resource, for the betterment of ourselves, our relationships and our freedom.

Let me ask you to ponder these questions: "What resource(s) have been placed in my care, which directly involve MONEY MATTERS, be it involving my business, my family, my relationships? And how have I chosen to use these resources? If I have "encumbered freedom" such as guilt or sadness from past money related decisions, how is it impacting me today, and how can I free myself from this encumbrance? Can I implement a realistic, *personal financial*

stewardship policy, which will help guide me into making decisions involving MONEY MATTERS more wisely?

What single MONEY MATTER comes to mind today, which is having the most significant impact on your freedom? What can you do to remove it as an encumbrance? Do you need the help of others? Are you willing to ask?

Closing timely not!! Last month I suggested you look at long-term life insurance fixed rate policies, as a window of opportunity is closing. The latest inside story is the window my close Sep. 1, 1995. Also, of the thousands of mutual funds available, which I analyze intensively in my investment portfolios, I believe there is one fund today which stands above all others. It is an aggressive growth fund and suited only for longer term commitments (3-5 years+), but I believe it will be the next Fidelity Magellan, and it is scheduled to close to new investors July 1. Heartland Value is the name Check into it!! (800-432-7856)

Money can be a wonderful tool, when used in proper context. Stewardship can be a rewarding practice, when placed in proper perspective. Seek balance, in each of these areas.

“Life’s short. Plan well.”