

PART 1

SIX BIG IDEAS FOR FINANCIAL FREEDOM: MINDSETS MATTER

(Sam)

One day my friend and her husband stopped by, and the husband looked out into our backyard and said, “Oh, bummer. Your dryer broke.”

I had no idea what he was talking about. “No, why do you say that?” He pointed out back to my two clotheslines packed full of clothes. “Ah,” I said, “I just hang clothes out on the line when it’s sunny.” Using a clothesline not only saves money on our utility bill but it gets stains out of clothes like no other cleaner.

Maybe you already hang your clothes on the line because you prefer the smell of fresh air to dryer sheets, and you haven’t thought about the saving-money angle. That’s good! This book isn’t just about how to save money—it’s also about how to enhance the quality of your life. Especially in this first part, we’re going to talk about attitudes and virtues that, taken all together,

will help you live better and spend less—that is, to be more intentional about how you use the resources God has given you.

Thousands of articles and books are available that have tips for saving money—as a Catholic family of sixteen, we’ve read a lot of them! At the end of this book we’ve included a list of resources that we have found most helpful in case you need advice in a specific area. But in this book we want to share things that have worked for us to achieve financial freedom and live debt-free. We hope that these practical money-saving tips and solutions will encourage you to live better and spend less, too. And it all starts with making small changes in the way we live and think. Saving those nickels and dimes—and making money-saving habits—quickly becomes second nature when you put your mind to it!

So what are these “big ideas,” these mindsets that have helped us to become better stewards of the things God has given us?

- Take stock and dream big (create a “financial vision” and execute the plan).
- Be a good steward for life.
- Become an intentional spender.
- Practice contentment.
- Be generous.
- Choose to trust.

As you look over these ideas, do any of them jump out at you as an area of opportunity for growth? Have you ever stopped to consider that it might hold the key not just to financial freedom but also to your family’s long-term happiness?

Are you happy with your financial state? If you are reading this book, you are looking for something. Maybe you are trying to plan for your future in a time of uncertainty, or you hope

to make a special purchase—a new car, a great vacation, or a house. Or maybe you are looking at your bank and credit card statements with a sinking heart and wishing there was a way to get back on track. No matter what it is that caused you to choose this book from the hundreds available, we want to encourage you to let God show you how pursuing *your* financial vision can be an opportunity for spiritual growth, just as it has been for us.

Of course, one little book is no substitute for sound personal advice from someone who knows you and your situation. You should get the help you need from a trusted mentor or financial advisor to fine-tune your plan based on what you read here and what works best for your family. But it is also essential that you find time for prayer, asking God to inspire you to create a plan that pleases him and puts you and your family on the path to financial freedom.

For I know well the plans that I have in mind for you—oracle of the LORD—plans for your welfare and not for woe, so as to give you a future of hope.

—Jeremiah 29:11

ONE

TAKE STOCK AND DREAM BIG

(Sam)

From the age of ten until I was twelve, I had a paper route. It was a weekly local paper that I delivered every Thursday. I only was paid 10 cents per paper. Each month I would get a \$26 paycheck. It doesn't seem like much now, but at ten years old I felt a sense of pride from that paycheck. I hated the idea of blowing money that I worked hard for on a toy or a snack that would be gone in a moment. Whenever I got a paycheck or earned some cash from mowing lawns or shoveling snow, I would put nearly all of it in my bank account. By the age of fourteen, I had saved more than \$3,000. Even though I didn't realize it at the time, this would pay for my first car, my cell phone bill, and even part of my community college.

—Joey Fatzinger, age twenty-three

Let's say you're driving home from an early appointment and have a few spare minutes. You know you have a long day ahead of you—cleaning, cooking, work notes to go over—and then you see the Starbucks sign ahead.

I totally deserve a special drink you think. I have a busy day ahead, and I could really use the caffeine shot! Then you remember the discussion you had with your spouse about the recent credit card payments and the bills that are past due, and you realize that every dollar counts. Not to mention, how would you explain it when your spouse cleans out the car and finds your old cup in the drink holder? You decide to pass Starbucks and ask God to use this small sacrifice to bless your marriage and give you wisdom about better ways to save money.

Congratulations! You have just made a commitment toward your financial freedom.

Even if you don't have (or think you need) a structured financial plan, making that choice to skip the macchiato and make an iced coffee at home brings you one step closer to creating the life you want with the resources you have. And it all begins with your mind, or (more precisely) your financial mindset.

We want to work with you to create and implement a *financial vision* for your life—a kind of “master financial plan.” Once we established our own vision (step 1), we set specific goals that would allow us to live this vision (step 2), identified obstacles to achieving those goals (step 3), and created a plan to overcome those obstacles (step 4). For the rest of this chapter, we will share more about these four important steps in order to help you create your own financial plan. So, grab your SLAM (Spend Less, Achieve More) notebook and pen, and take some notes. Let's take a look at four key questions.

Step 1: What Is Your Financial Vision?

When Rob and I got married, we shared a big financial vision. It had three parts: We wanted to serve God and the Church, raise a big family, and use our assets, talents, and time in a way that

pleases God. You could say that was our first financial vision, although at the time we didn't write it down or speak of it exactly in those terms. I just constantly prayed, and still do, "Thy will be done! Dear Lord, grant me wisdom, prudence, and self-control. And please give these virtues to my family, too."

Looking at the big picture from the outset helped us achieve specific goals we set along the way. For example, I found it easier not to spend money when I knew Rob was putting away money to buy our dream home. When we finally heard of a foreclosure on the potential dream house with a big yard in the neighborhood wanted to live in, I got excited. And when I knew we had saved enough to afford the down payment; I breathed a sigh of relief. Now we could slow down our rate of savings, right?

Well, we did relax our budget some after we bought the house and closed our business (more about our bookstore later). We could spend a bit more each month because Rob's new job supplied a regular paycheck, paid time off, and health insurance. But Rob also found a new goal: he wanted to pay off the house early, starting with the very first mortgage payment. And because we had already learned to stay within a certain budget, there wasn't a big difference in our daily spending habits when he started adding extra money to every mortgage payment. Life just went on as usual, except I bought paper towels occasionally.

That big, beautiful house was an important goal for us, but we kept on saving because it was only part of the financial vision we had established that would chart the course of our life together. This was our vision in a nutshell: Don't spend money unless necessary so we can afford to be open to life and stay home with our kids.

What is *your* financial vision? Think about it, talk about it with your spouse, and write it in your notebook.

Step 2: What Are Your Financial Goals?

Unlike your financial vision, which establishes the trajectory of your life, your financial goals are the milestone markers, important steps to achieving that vision. Some will likely require long-term financial planning, but others might cost little or no money at all. Here's what one daughter had to say:

Have goals and an idea of how you want your life to look but be flexible because things will not always (basically never) turn out the way you plan. Make smart decisions now, the kind that will support the kind of future you want: Start investing. Choose a good college that will not put you in a ton of debt. Hang around good people that build you up. (Lizzie Fatzinger Rowedder, age twenty-six)

We started setting our financial goals before we were even married, sitting there on the top of Sugarloaf Mountain. We worked at it during the course of that year, so that by the time our wedding day arrived, we had already laid the groundwork for how we were going to live as a married couple.

We began by setting a budget so we could see that we were spending less than we made—even while planning our wedding—and made sure that we continued to tithe to our church and give to other charities (in time and money). We surrounded ourselves with good role models and mentors, and we trusted that God would take care of us, no matter what.

We planned a simple wedding and took the money Rob's dad offered us for our wedding to put a down payment on a town house. We chose the least expensive town house we could find in the nicest neighborhood. Once we had paid off the balance on the small amount of debt Rob had accrued during school,

we began saving my salary from working part-time at a daycare center. We knew we wanted to live on Rob's salary so that I could stay home with any kids God might choose to send us, so we figured we should start living that way right from the start.

As our family has grown over the years, we have all set goals to help us get the life we want. The kids worked to set up car and college funds. We set up emergency and retirement funds. We scheduled a time for daily prayer, individually and as a family. We made a choice to homeschool our kids (except for one, whom we found a great program that meets his needs much better than we could).

What are some specific goals you have financially, short-term and long-term? Write them all down in your notebook—from the easiest, smallest ones to the largest, most outrageous ones. They are your goals, and only you and your spouse can decide if they have merit.

Let's look at three examples of common goals. (For information about achieving these goals, you can peek ahead at chapter 9, which covers saving.)

Set up an emergency fund.

You hear it all the time from financial experts: "Set aside three months of expenses." "Have six months of expenses in a savings account for emergencies." We happen to agree with this, but how do you go about accomplishing this goal?

An emergency fund is a liquid savings account (not in the stock market or vintage Pokémon cards) containing enough money to live on (to pay basic expenses such as rent/mortgage, utilities, and food) in the case of life's unexpected events—losing your job, needing a new furnace or large car repair, or facing

an unexpected medical expense. It's not for going out with the guys to the big game or getting the latest handbag that the Kardashians are pushing.

Retire by age sixty.

Saving for retirement . . . we all know we should be doing it. But there are many other things demanding our limited financial assets. Some of them are needs (food, housing, clothing), while some of them are wants (new shoes, the daily latte, a trip to the Bahamas).

Some people believe they should spend now and trust that God will take care of them when the time comes, like he's some kind of magical piggy bank. But is that really being a good steward? We believe that trusting God is definitely the key to all of this. I could talk for hours about all the times we had to rub two pennies together to make things work. Honestly, God did come through every time. And yet, like any good parent, he still expects us to do our part.

For now, I will persuade you in two little words why you should start saving early when it comes to a retirement fund: compound interest. Actually, they are two little words Rob taught me along with this story about two crazy kids called Jack and Diane. Jack and Diane both know they should save for retirement. And both have the same goal of saving a million dollars by the age of sixty-five. Both make investments that earn an annual return of 6 percent. And they both decide they will save \$10,000 a year.

Jack spent the early years of his career buying BMWs and going to the Bahamas twice a year. He didn't start saving until age thirty-five but then saved \$10,000 annually for the next