

## Free Money. . . Now What?

Media outlets and the internet are abuzz with the details of the new stimulus plan that seeks to put funds in the pockets of American consumers and businesses. If you are like me, you already know if you are eligible and exactly how much you expect to receive once the government starts sending checks. If not, there are a couple of calculators available. Here is one I came across that is easy to use:

<https://www.washingtonpost.com/graphics/business/coronavirus-stimulus-check-calculator/>

If you know when and how much is coming your way, you probably have a plan for how you will use these funds.

Before the stimulus arrives, I want you to focus on one question, “How do I steward these resources?” As you seek to determine this answer, let’s go back and examine the reason for which the government is distributing these funds. Contrary to the title of the article, realize you are not receiving “free money.” Instead, it’s a financial lifeline. If we see it in terms of preservation, our perspective, as well as its potential usage, changes. Check out these ideas for how you could allocate these funds.

- 1) Straight to Savings: If the saving statistics of Americans are accurate, between only 30% of the population has at least \$1,000 in savings. A goal for everyone would be to have three to six months’ worth of living expenses, for times like these. If your savings account is lacking, use the funds to provide some security.
- 2) Spread Out if you Spend: Do not spend it in one fell swoop. These funds are to assist you during the economic recovery, which could take as long as six to nine months. If this is the case, you should only spend between 1/9<sup>th</sup> and 1/6<sup>th</sup> of your stimulus each month.
- 3) Pay Down Debt? Some pundits are suggesting you take the funds to pay down debt. I would caution against this unless you have a fully funded savings account (three to six months of living expenses). The last thing you want is to pay down your debt, have an immediate need, and find yourself borrowing again. If your debt obligations are stretching the budget and you cannot renegotiate with your lender, use a portion of these funds to pay your minimum payments.

What if your job situation looks good? If there is not an immediate need, I would suggest you divert the funds to savings. We are only at the beginning of this downturn, and we have no idea how long it will last or what new industries will be affected by a prolonged shutdown. With so much uncertainty, some extra money in savings never hurts.

If you read this article and thought to yourself, “I need a little more guidance,” please reach out. I’m happy to help as I am able. Do you have a question that others are probably asking themselves? Shoot me an email: [cmessemer@lakechurchdfw.org](mailto:cmessemer@lakechurchdfw.org). Our goal is to provide a weekly stewardship email to encourage you during this time. Do you have some great tips on trimming the budget, deal hunting, or adjusting to a new normal, I’d love to hear it. Finally, if stewardship is on your mind, The Lake has built a stewardship curriculum, entitled Tier 3, that we are happy to share with you for FREE! Just shoot an email to me, and I can get you a link.

Thanks for your time, and remember the Great I AM's Got This.

A handwritten signature in blue ink, appearing to read 'Christian Messemer', with a long horizontal flourish extending to the right.

Christian Messemer

The Stewardship Shepherd