

## YOUR FINANCES - Take Positive Steps

Losing your job, being laid off, or having your family income decrease is traumatic. It is not just a loss of income, but also the security and way of life you may have taken for granted. Communication is the key to effective coping.

- Recognize your personal loss and identify the steps needed to bounce back positively.
- Recognize that your family is experiencing the stress of your job loss second-hand and may need help in coping.

- Evaluate your financial situation and adjust your family financial plan.
- Contact your creditors and arrange alternate payment schedules.
- Apply for unemployment insurance.
- Assess your skills. How many different types of jobs are you qualified for? Consider retraining for a new field.
- Actively seek new employment.



## What to do BEFORE You Are Late

Change how you pay creditors until your income is at a higher level. **DO NOT IGNORE BILLS AND NOTICES.** Contact your creditors before there are late payments.

- Work out smaller payments.
- Refinance a loan. Structure smaller payments over a longer period of time. But realize this increases the overall cost of the loan.
- Does your life insurance policy have a cash or loan value? Call your agent to see if there's an automatic premium loan clause that will deduct payments from the cash value of your policy or dividends.
- Lending institutions and utility companies want to work with you. It is in their best interest as well as yours to develop a plan to help you with payments.

What bills do you pay first?

### HIGH Priorities

- Food and critical medical needs
- Housing payments - rent, insurance, taxes
- Loans for which your home is used as collateral
- Electricity, gas or oil, phone
- Car loan
- Child support
- Unpaid income taxes
- Secured loans - loans backed by property that guarantees payment

### MEDIUM Priorities

- Credit cards, gasoline cards, charge cards
- Student loans
- Instalment loans, doctor/hospital bills and attorney's fees

# MANAGING Tough Times

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## Cutting Corners and Economizing

Manage the effects of less income by economizing. Your family must decide which goods and services are most needed.

- Use personal and family resources where they will do the most good. Use it up, wear it out, make it do, do without.
- Conserve resources and avoid waste. Make products you use last longer.
- Find new uses for resources you already have. Rent a room out, use your talents and skills to generate income or swap services for produce.
- Resources can be multiplied when you cooperate with others. Join food co-ops, housing co-ops, baby-sitting co-ops and car pools.
- Substitute less costly for more costly resources.
- Use public resources - the library, parks, museums, wildlife areas, low-cost classes and recreation programs in your community.
- Take advantage of free or low-cost health or counselling services.
- Enjoy time with friends and family on picnics, potlucks, cards or fishing.

## Need Cash Now?

Using your savings is one way to supplement your income. Be cautious about using savings for things that aren't high priority. Otherwise, you leave nothing for emergencies such as unanticipated repairs or medical bills.

Selling property that you may no longer need, could do without, or can't afford to keep is another way to get cash now.

- Determine a selling price. Visit resale shops and garage sales in the area to find out the going price.
- Inform prospective buyers with posters on community bulletin boards in supermarkets, shopping malls and laundromats.

- Advertise on radio call-in shows, classified ads in newspapers and shoppers.
- Use on-line auctions and ad services such as eBay and Craig's List.

Another option would be a bridge loan. These are generally instantly approved with the cash in hand within 24 hours. These loans usually carry higher interest rates and your home or other assets will serve as collateral. You can repay the principal amount when you finally get funds by selling property or starting a new job.



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Provided by Iowa State University Extension Family Resource Management Field Specialists  
Brenda Schmitt, [schmitt@iastate.edu](mailto:schmitt@iastate.edu) and Erin Ludwig, [eludwig@iastate.edu](mailto:eludwig@iastate.edu)

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