

Managing in Tough Times



What is Your Net Worth?

What are your assets?

- How much do you have in cash or other assets that are easily converted to cash, such as savings or checking accounts?
- What amount do you have in restricted access financial assets, such as 401(k), IRAs, or CDs? Be careful about tapping into these accounts because you may have to pay a penalty or trigger an unexpected tax bill.
- What is the value of your physical assets such as a home, car, or personal items if you had to sell them quickly?

What are your liabilities?

- To whom do you currently owe money? Things you owe money for now, like rent, utilities, or your car payment are known as your current liabilities.
- To whom do you owe money over the next 1-5 years? These are your intermediate liabilities such as a car loan balance or credit card debt.
- To whom do you owe money beyond 5 years? These are your long term liabilities and include things like student loans and mortgages.

Are you okay with your net worth?

- Your net worth is determined by subtracting liabilities from assets.
- To raise your net worth, you will need to increase assets or choose assets that grow. The best method is to use current income to acquire these assets over debt.
- The other way to improve your net worth is to reduce your debts. Again, doing this from income will have the impact you want.

Having a Spending Plan Is Critical

What is the nature of your expenses?

- Fixed expenses occur on a predetermined schedule and are for a set amount. (Car payment, rent). They are harder to change because there may be a contract. There is usually a big consequence if these are not paid.
- Variable expenses usually occur on a predetermined schedule, but may change in amount. (cell phone bill, energy bill)
- Discretionary expenses are ones that are totally up to you. (smoking, eating out)
- The daily decisions you make about variable and discretionary expenses determine if you spend a lot or a little in these categories. These daily decisions have a big impact.

Organizing your cash flow

- $\text{Income} - \text{taxes} - \text{expenses} = \text{surplus or deficit}$
- A surplus is money that can be used to save, pay down debt, or work toward some other goal.
- A deficit means spending more than you make; this often occurs when you use debt like credit cards for ordinary expenses. In this instance, it is necessary either to increase income or reduce debt.

Prioritizing Your Expenses

- Consider the consequences of missing that expense. What will be the results?
- Missing payments on housing, basic utilities, food, and debt can result in penalties, foreclosure, repossession, shutoff notices, etc.
- Going out to eat, and spending money on other things that are for convenience can probably be avoided when times are tough.





Building an Emergency Fund

Accumulating Liquid Assets

- These are assets that can be easily converted to cash.
- The majority of these funds should be in accounts that have easy access, like checking accounts.
- Regular or passbook savings and money market accounts are another option.
- Short-term CDS may offer higher interest rates, but find out the early cash-out policy.

How much is enough?

- Experts suggest setting aside enough money for 3-6 months of expenses.
- Try to distinguish between needs and wants when determining the amount needed for the emergency fund.
- The exact amount you should have can vary depending on your access to paid leave time from an employer or even access to other resources.

Consider Other Resources

- Would you get any help from family or friends?
- What type of and how much access to credit do you have?
- What types of trades could you make with neighbors, friends, etc. that could take care of some of your expenses in a tough time? Remember that trades can be made not only of possessions, but also of time.

What are Your Resources?

When the money gets tight it is important to know what you have.

What are your financial resources?

- Make a list of all of your assets; everything that you own.

- Distinguish between financial assets and physical such as cars, a home, or personal possessions.
- Which financial assets can be easily converted to cash?

What type of personal resources do you have?

- Education, certifications, and designations.
- Time. Your schedule and the schedule of others in your family may be different than others you know, this can create opportunities to help each other by trading responsibilities such as watching their children so they can work an extra hour.
- Talents and skills like these may be helpful in trading with others in community.

What type of resources does your household have?

- Family, friends, other people you know, and social networks.
- Personal possessions that have outlived their usefulness to your family, but might be helpful to others in your community.
- Commitment to family and household communication.

Debt Management

Should you get a lower interest rate on your debt?

- If this will substantially decrease your monthly cash flow commitment, this may be beneficial.
- How much does the refinancing cost you?
- Can other higher cost debts be rolled into this favorable rate?

Important to:

- Maintain payments to creditors.
- Communicate with creditors in the event of missed payments; this may reduce penalties
- When you receive monetary gifts or eliminate other bills, use the extra money as “power payments” to maximize the impact on your debt reduction and management.

Use your credit

- With positive credit, you can work with existing lenders on lowering your rate, avoiding late fees or universal default.
- Make certain you are getting any available perks, including credit toward payments or gifts that may be good for upcoming occasions.

Access to credit may be helpful in tight times, allowing you to smooth over changes in prices or manage unforeseen expenses such as car repairs. Just be sure to use your credit responsibly.

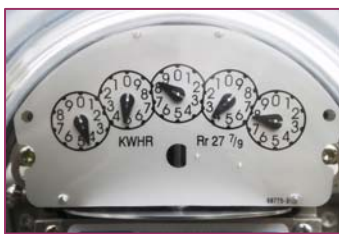
Making Extra Money

Odd Jobs

- What type of skills or equipment do you have that others may need?
- Consider that your time may even be helpful if you have free time when others do not.
- You can find odd jobs in the classifieds section of local newspapers or web sites.

Bartering

- Trading goods or services with others may not yield cash, but it may still provide your family with goods or services needed.
- Many of us have time or skills that others could use. Think about things such as watching children, cleaning, or even making repairs.
- People also may trade goods including cooked meals or hand-me down clothing.



Freeing Up Money from Services Utilities

- You can work with your service provider so that your monthly bill is based on an average of the previous year's bill amounts.
- If you exceed the budgeted amount, you could end up owing money at the current year's end.

- Set thermostat on 78 degrees in summer, 68 degrees in winter when at home. 82 degrees in summer and 64 degrees in winter when away from home and at night.
- Using fans in the summer give the effect of being two degrees cooler. Turn off fans if not in the room.
- Reduce hot water usage for bathing and laundry. Set a kitchen timer for shorter showers.
- Ask JEA for an energy audit if you are having trouble reducing your electric bill.
- Using a "bare-bones" land-line phone with and a long-distance prepaid card (shop around for a low per-minute rate) is usually the least expensive way to maintain phone service.
- Evaluate cable, satellite, and internet bills for services not needed or rarely used.

Banking and Paying Bills

- Consider using online bill-pay; this will reduce the need for stamps, envelopes. Banks or credit unions may even waive fees.
- If you have your paycheck, disability, or retirement check directly deposited into your account, your bank may reduce fees.
- Automated withdrawals may save you money. Funds are taken directly from your account by your service provider; it is common to get an incentive for this. Caution: automatic payments can cause overdrafts if they are not timed correctly with deposits.
- Avoid using payday loans, cash advance, or title loans; these charge substantial fees and can cost you more than any convenience they provide.

Too much insurance?

- If possible, increase your deductibles; this tends to lower your premium.
- Consider reducing excess coverage if you have more coverage than you need.
- Certain policies such as disability have a waiting period; increasing this also tends to lower premiums.

Saving Money at the Gas Pump Adjusting Your Driving

- Stay close to the speed limit. Lower speeds provide greater fuel efficiency than higher speeds.
- Keep your car light by leaving heavier objects at home. The more weight for your car to carry, the more fuel it needs.
- Use cruise control for long stretches on roads like freeways, except on hills.

Organize

- Plan your errands so you do not have to make multiple trips to the same end of town during the week.
- Use the most fuel efficient vehicle you own.
- Coordinate errands with a neighbor; take turns driving to the grocery store.
- Make a list of what you need for the week to make the fewest trips possible.

Alternate Transportation

- Take public transportation or carpool.
- Ride a bicycle.
- Participate in new community car programs where cars are available for use by residents at sites throughout the city.

For more tips check out: ww.fueleconomy.gov

Stretch Your Food Dollars At Home

Prevent Food Waste

- Cut down on the amount of food you throw away; freeze leftovers or use them in recipes like soups or casseroles.
- Take leftovers for lunch instead of eating out; store properly to keep foods safe to eat.
- Before buying an unfamiliar food, be sure you know how to prepare it.
- Buy only the amount of food you can store and use before it spoils.

Plan Ahead

- Plan meals for a week using foods on hand and grocery store specials.
- Clip and use coupons.
- Cook large batches when possible; divide into portions and freeze.

General Money Saving Tips

- Cut down on expensive ready-to-eat salty and sweet snacks.
- Enjoy seasonal or dried fruit, veggies (cut your own), whole grain crackers, or low-fat yogurt for nutritious snacks.
- Limit pre-made meals and fast foods.
- Buy a reusable water bottle and fill it with tap water. Refrigerate overnight and keep it with you during the day.
- Avoid excess soda, expensive energy drinks, and coffee shop drinks.

Stretch Your Grocery Dollars

Planning Shopping Trips

- Keep a pad and pencil handy for jotting down foods as they run low.
- Don't shop with a hungry or tired child.
- Avoid shopping when you are hungry.



At the Store

- Stick to your shopping list; avoid impulse purchases.
- When buying a food for the first time, buy a small amount in case you don't like it.
- Use in-store flyers to find items on sale.
- Buy staple foods like canned fruit, tuna, or sauces when they are on sale.
- Avoid buying pre-cut fresh foods; cut your own to save money.
- Use coupons only for foods you would normally buy and if a cheaper store brand is not available.
- Buy a larger package only if the unit price is cheaper (check shelf label) and if you will use it all before it goes bad.
- Buy store brands; they usually are about the same as brand name products.

Other Tips for Saving Money

- Plan meals around items that are on sale, especially costly items like meat and fish.
- Select canned and frozen foods when they are cheaper than fresh; avoid foods with added salt or sugars.

Food Safety

Keep Food Safe

Keeping food safe saves money by preventing waste and illness.

Planning

- Inventory your perishable foods on hand before making a shopping list.
- Have a cooler in your car for keeping perishables safe on the way home.
- Plan to shop when you can take food right home and store it safely.

In the Store

- Select perishable foods, such as dairy and meat, last so they stay cold in your cart.
- Put raw meat in a plastic bag and keep it separate from other foods in your cart.
- Choose produce at its peak freshness.
- Check to be sure eggs are not cracked.
- Check 'use-by' dates to be sure you will use foods before they go bad.
- Do not buy dented cans or jars with bulging or cracked lids.

At Home

- Store ripe fruit and fresh cut produce in the refrigerator.
- Wash produce just before using.
- Put newly purchased canned foods behind older ones in your cupboard; use older cans first and before 'use by' date.
- Refrigerate perishable leftovers within two hours and use within three days.

Doing Things as a Family ...for LE\$\$

Take advantage of local public resources

- Spend time together at the park.
- Go for hikes or bike rides.
- Go for a family picnic.
- Go swimming at the local pool, lake, ocean or springs.

- Take advantage of free programs offered by the library, museums, and community bands or orchestras, or other free community events.
- Check out books, music and videos for free from the library.

Find cheaper entertainment at home

- Have a family game night.
- Rent or borrow movies, pop some popcorn, and have a family movie night at home.
- Bake or cook together as a family.
- Read stories to one another.
- Go on evening walks together.

Help your children learn new skills and ideas

- Teach children how to garden.
- Teach children craft skills you enjoy and spend time doing these together.
- Teach children about issues that are important to you, such as politics, news, the environment, or others.



Keep Communications Open Importance of Communication

- This may be a stressful time when family members need to lean on each other more than usual. Talk to each other and listen to each other's concerns.
- It's normal to disagree at times. Talk about problems and work together to find solutions.
- Maintaining communication allows families to keep each other up to date on changes or needs for money.
- Try to set aside a regular time for family meetings. Then finances are not always a topic of discussion and discussions can be more focused.

Keeping Kids in the Loop

- Let kids know that the family may have to reduce spending on some items. Try to do this in a calm and honest manner.
- Answer their questions as clearly as you can.

- Remember that some children may be worried and not show their feelings. Check in with your children to see how they are doing and reassure them that you will work things out as a family.
- Enlist their help and creativity in reducing expenses, especially on family activities. Try to use this time to teach them the difference between wants (such as those high priced sneakers) versus needs (athletic shoes for P.E. class).



Tips for Teens: Contributing During Tough Times

If your family is going through tough times financially for whatever reasons, consider ways you can contribute. Asking your parent(s) to share with you the family budget and being willing to take some action to help is the first step to gaining respect and demonstrate responsibility as a family member.

Cost-savings things that you can do to help with family expenditures are:

- Turning off lights, televisions or other electronics when not in use.
- Take shorter showers to cut down on water and electric bills.
- Don't stand with the refrigerator door open while deciding what to eat.
- Limit cable/phone/computer usage. Help figure out your family's real needs for these services vs. wants and ways to meet them, like using the public library on-line services for homework.
- Hang up your clothes after wearing so they wear longer and need less washing and care.
- Volunteer to help with family chores in lieu of paying for services like cleaning, lawn care, take-out, or childcare.

Working Teens as Contributors To Their Families

Many teens work for extra money but rarely are their earnings used as a contribution to the family's economic well-being. Research of teen employment reveals that costs for transportation, clothing and food away from home actually increase with teen employment.

Involving teens in family problem-solving helps teach them the reality of managing money and distinguishing between needs and wants. Asking teens to help with household expenses will need to begin with an open sharing of a family budget, income and needs. They need to know that their financial help is appreciated. Help your teen:

- Analyze expenses and income from their job. Do the costs outweigh the benefits to themselves or the family?
- Develop a budget that includes earnings going toward savings, family budget, and teen expenses.
- Plan and budget for family wants like entertainment, vacation or trips. Teens will learn the value of saving over time for wants.

More Tips for Parents

- To reduce potential negative impacts for employed teens, limit their work hours during the school months to 10 hours a week.
- Provide teens that are contributing to family efforts some relief from extra family chores.
- Ask their help to problem-solve/determine other cost-cutting goals for the family.

Adult Children Moving Home

Adult children move in with their parents for a number of reasons, including economic hardship. As this move will change the parents' household expenses, adult children have a responsibility to contribute to the upkeep of the household. It is important to talk openly and honestly about money arrangements. Be as specific as possible.

Costs of Maintaining Household

- What is the monthly cost for food, electric, cable, etc. How much will they increase?
- How will the costs be shared?
- Will contributions be in cash or work?
- Who will do the cooking, the cleaning, the shopping, etc.?

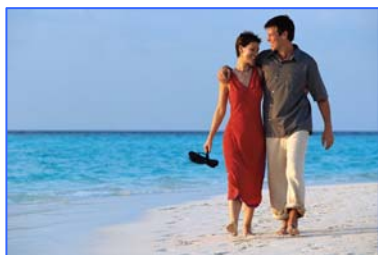
Employment Expectations

- Discuss everyone's expectations in regards to employment.
- Wait for the right job or take short-term employment?

Other things to Consider

- Is there a specific time limit?
- Is financial help viewed as a gift or a loan?
- How will visitors be handled, especially overnight visitors?
- Will everyone eat together?
- The cost of food will increase; will there be a change in the types of food purchased?
- If children are involved, who will do the discipline?

Sharing a home is a big decision for everyone involved; effective family communication is critical to making a smooth transition.



Managing Stress

Sources of Stress

- Prices rise but your income stays the same.
- Cut-backs, layoffs, or other restructuring creates instability at your employer.
- You feel frustration with family members over spending or debt.

Take Care of Your Body

- Try to eat a balanced diet.
- Take time for an enjoyable physical activity. Exercise can be just the thing to relieve your body of tension.
- Get enough sleep. We tend to be more on edge and have less to give when we are tired.

Getting a good night's sleep can start off the day on a good note.

Take Care of Your Mind

- Try to maintain a positive outlook. Remember that economies have cycles; sometimes they are down, but they will go back up again.
- You still need time for you, even if it is not something that costs money.
- Make sure you have someone you can talk to if times get tough. This could be a spouse, partner, sibling, parent, or good friend.

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For more information check out
Solutions for Your Life
<http://solutionsforyourlife.com> or
www.coj.net search word: money
 management

My Spending & Saving Plan

My Monthly Income

Wages	\$
Tips/Commissions	\$
Child Support/Alimony	\$
Public Assistance	\$
Social Security / Pensions	\$
Unemployment / Disability	\$
Veteran's Benefits	\$
Interest / Dividends	\$
Other Income	\$

My Monthly Expenses

<i>Fixed Expenses</i>	
Rent/Mortgage	\$
Utilities	\$
Savings	\$
Insurance	\$
Other Loan Payments	\$
Other	\$
Total Fixed Expenses	\$

Flexible Expenses

Food	\$
Clothing	\$
Health / Medical	\$
Vehicle- Maintenance	\$
Phone / Cell	\$
Household	\$
Child Care / Elder Care	\$
Personal Expenses	\$
Education	\$
Entertainment	\$
Cable / Internet	\$
Other	\$
Total Flexible Expenses	\$

Total Income	\$
Minus Fixed Expenses	\$
Total	\$
Minus Flexible Expenses	\$
Total	\$

Fill in take home pay and other income. Fill in the amounts you intend to save and spend in each category. For planning purposes, income minus expenses should equal zero. Find ways to increase income or decrease expenses if you don't balance.