



## **REDUCING EXPENSES DURING TIMES OF CRISIS**

Are you experiencing job loss? If so, you are not alone. Many Americans are finding themselves suddenly without a steady income due to Covid-19. The financial hardships and stress caused by job loss can be overwhelming. You can reduce your anxiety by taking charge of the situation now.

If you have been laid off due to Covid-19, contact the unemployment agency to see if you qualify for unemployment benefits. Call the hotline 24/7. 844-908-2178. Apply online EZARK <https://www.dws.arkansas.gov/unemployment/ezarc/>. Applicants can apply online or call the hotline. Avoid in-person visits to your local office if possible. For more information, visit the Arkansas Department of Workforce Services: <https://www.dws.arkansas.gov/unemployment/>

Let's explore some changes you can make that will help you manage until things return to normal.

- **Reorganize** – Look at your current situation. Accept that things will be different for a while and regroup.
- **List income** - Start by listing all the income you have coming in. Is one spouse working? Do you have other sources of income? Are there things you might be able to sell? Are you willing to work temporarily at another job? Some places are hiring right now to help stock shelves or other positions to meet the increased demand for food, cleaning supplies and other necessities.

- **What do you owe?** – Make a list of all your bills. List them from most important to least important. You may not have enough money to pay all of the bills. Read your credit contracts. What penalties, late charges, or risk of repossession are associated with them? Call the credit companies and see if they can renegotiate or if they will delay payments. Explain your situation.
- **Make a plan.** Look at things you can do – not at things you can't do. Make a new plan. Your goal is to find ways to live within your current situation. Face up to the fact that you can't continue to spend as you have. Regain control by taking a hard look at your budget and finding ways to make ends meet.
- **Identify your basic needs.** Food and shelter are at the top of the list. What else is essential for your family's survival? It may be medicine. Discuss and prioritize those needs. Every family is different. The important thing to realize is what is a need (things you must have) and what is a want (things you would like to have). Wants can be put aside until your financial situation improves.
- **Make a budget** – If you don't know where to start, check out this fact sheet at <https://www.uaex.edu/life-skills-wellness/personal-finance/ShapeUpSpending.pdf> or call the Howard County Extension Service at 870-845-7517 and I will be glad to mail a sample budget to you.
- **Stop using credit** – While you are stuck at home through social distancing, it is very tempting to get online and order stuff or wants. Remember, anything you put on a credit card must be repaid at some point! Use credit only in an emergency.
- **Communicate** – Talk with all family members and explain the situation. Be honest about the situation. Work together to devise a new plan. They may be able to think of things

you haven't to help get through. If you have young children, talk to them about changes that will need to be made. Reassure them that you will take care of them. A basic need for children is the need to feel secure.

- **Rank bills and creditors according to the degree of risk involved:**
  - Rent, house payment, food, utilities and insurance are first priorities. They are needs, those things you must have in order to live.
  - Your second priorities are minimum payment for credit cards and other outstanding debts. If you have been making more than minimum payments in these areas, you can find some extra money to use elsewhere to meet your obligations. Keep in mind, making more than minimum payments is ideal; however, during times of crisis that may be all you can do.

Managing the stress and hardship of a reduced income is not easy. There are no easy answers. Remember, you are the same person as before but with a reduced cash flow. You will get through this!

If you would like additional information and educational resources to help you through this time of financial crisis, check out our website at <https://www.uaex.edu/money> or call your local, County Extension Office. The Cooperative Extension Service continues to provide research information for Arkansans. If you have questions, feel free to call your County Extension Office!