



Surviving during Financial Emergencies

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Do you have enough cash reserves to take care of your family, home, land, and animals in an emergency? It is critical to be prepared and have your Plan B ready before a disaster. This starts with your finances. Consider all that rely on you.

According to the Consumer Finance Protection Bureau (CFPB), up to 36% of Americans are considered financially fragile, they cannot produce \$400 cash within 24 hours for any emergency. Nor can they produce \$2,000 within 30 days. This raises concern and begs for individual examination. Savings is another topic hopefully; you have yours to use in perilous times.

What if, for some reason you did not prepare ahead for an emergency? Let us say you have no cash or savings. Do you *panic*? No, you look at the resources you currently have and use them to stabilize your family. Employed or not, focus on what you CAN do with your finances. Your mindset and self-talk can help or hurt you. Choose survival and take appropriate steps to stabilize your financial situation versus concentrating on things you cannot control. Look at every aspect of your money situation & picture.

What components are involved with your money picture? Your money picture can be put together through financial documents. Balance sheets, income statements, and budget to name a few. It is your income, expenses, assets owned, any type of account that has value, and anything that financially effects your household.

To begin handling a money emergency, create a written plan. Prioritize debt payments, and promptly call your lenders and communicate your plan. Next, look at your assets, what you own and your liabilities, what you owe. This will give you an idea of your net worth (income statement). Then, create a budget, showing your income and expenses. Expenses will need to be cut. Brainstorm ideas and ways to immediately reduce expenses and use money that may be hidden or invested (last resort).

During this time, call your lenders, apply for unemployment or other benefits you qualify for, use food and supplies you have on hand, look at goods and services you have to sell, barter, and/or pick up a part-time job. Access local free resources such as food pantries, free medical clinics, free meal services, help with utilities, clothing and other services. Family, friends, and social service agencies may give you other resources, ask.

How can you take steps to spend less on something and still get your needs or wants met? Stepping down your spending is a concept that asks you to consider your current expenses. An example would be for housing. You can buy a home, rent a home, rent an apartment, get a roommate or rent an individual room to obtain housing. Think of other ways you can step down to cut expenses to get through a financial emergency.

Use your knowledge, skills, or education to barter for something you need and be your own advocate!
You can and will survive this financial emergency!