

When Your Income Drops



Take Stock of Family Resources

If your income has suddenly decreased, you may be worried about how you will have enough money for all of your expenses. In order to adjust your spending to fit your current situation, you need to know where you are financially. Use these steps to have a better picture of your financial situation and consider resources that can help you manage right now.

First, **determine your net worth**, which is your assets minus your liabilities. Your net assets include: liquid assets (cash on hand, checking and savings accounts, money market accounts, certificates of deposit, cash value life insurance); marketable assets (stocks, mutual funds, savings and other bonds); nonmarketable assets (individual retirement accounts, current value of pensions, money owed to you from others); and personal assets (market value of your home and other real estate, value of vehicles, boats, RVs, furniture and appliances). Your liabilities are what you owe. These include mortgage, home equity loan, vehicle and other loan(s), credit and charge account balances, current unpaid bills and any other debts. When you subtract your total liabilities from your total assets, the balance is your net worth. Take this a step further, and update or create your spending-savings plan.

Next, take a look at other **non-financial resources** your family has. These might include skills, education, ability, creativity, talents, time and energy. Although these resources are sometimes difficult to value in terms of money, they could help your family thought challenging financial times.

Now might also be a good time to consider **selling those things you've been meaning to** for a while. Have your children outgrown all of the baby items you still have? Do you have household and clothing items you no longer use, but are still in good condition? Do you find that you have too much "stuff"? Think about how you can generate extra income by selling items that are taking up valuable space in your home that someone else can put to good use. Consider the many online options to share what you have for sale, as well as how to transfer payment from buyer to seller.

Purdue Extension Health and Human Sciences has a wide range of resources to help you navigate through challenging times. Find us at <https://www.purdue.edu/hhs/extension/>, and on Facebook at Purdue University Health and Human Sciences Extension.

Calculate your household's net worth: [Net Worth Statements-Colorado State Extension](#)