

When Your Income Drops



Don't Panic – Take Control

If economic misfortune strikes you or your family in the form of reduced income, is there anything you can do to minimize the hardship? Yes! This set of Purdue Extension fact sheets suggests a number of steps you can take to maintain financial control. The titles of these fact sheets correspond to the steps you can take:

- 1) **Don't Panic – Take Control**
- 2) **Control Stress**
- 3) **Take Stock of Family Resources**
- 4) **Take Stock of Community Resources**
- 5) **Set Priorities for Spending**
- 6) **Plan to Pay Creditors and Protect Family Welfare**
- 7) **Keep a Roof Overhead**
- 8) **Meeting Insurance Needs**
- 9) **Sharpen Your Survival Skills**

Abrupt loss of income, whatever the reason, is traumatic. Often the financial setback was not anticipated. When it happens, a common instinct is to panic. Although natural, the temptation to tailspin must be avoided as much as possible. Remember the following:

Loss of income affects many people for many different reasons. It doesn't help to blame yourself and the energy you spend blaming yourself could be better spent dealing with your situation. Feeling the effects of stress is very human and very natural. Fact sheet 2, **Control Stress**, will help you develop and follow a plan to reduce stress and maintain control of your financial position.

Fact sheet 3, **Take Stock of Family Resources**, will help you take stock of what you own and what you owe. Fact sheet 4, **Take Stock of Community Resources**, provides a partial listing of important community resources designed to help you and others in times of economic or personal distress. Designing a family spending plan sets your family up for success by setting up a mechanism to control your spending. Fact sheet 5, **Set Priorities for Spending**, outlines steps in putting together and implementing a spending plan.

One of the most stressful outcomes of a loss in income is the worry that creditors are impatiently waiting for you to pay overdue bills. Fact sheet 6, **Plan to Pay Creditors and Protect Family Welfare**, gives suggestions for working with creditors to meet your outstanding obligations.

Keeping a roof overhead, the utilities hooked up, and essential insurance are top priorities when income drops. Fact sheets 7 and 8, **Keep a Roof Overhead**, and **Meeting Insurance Needs**, discuss these concerns. Fact sheet 9, **Sharpen Your Survival Skills**, has ideas for substituting, conserving, using your human resources, cooperating, and utilizing community resources to buy food, run your household, purchase clothing, choose transportation, and acquire the other things your family needs.

The publications in this series originally adapted by Purdue Extension specialists based on subject matter from a publication by Carol S. Kramer, Extension Specialist, Consumer Economics, Kansas State University, Manhattan, Kansas 2008. Revised March 2020.