

# DOLLARS & SENSE

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## Finding Resources In a Financial Crisis

**Whether you are a self-driven entrepreneur or on somebody's payroll, chances are you are living paycheck-to-paycheck or maybe even struggling to survive the month.**

While everybody's primary concern is making sure that their source of income is as steady as it can possibly get, achieving this goal, is often easier said than done.

In today's society, many working-aged people find themselves bouncing from one employment position to another and the elderly often have not saved enough to retire in comfort. In fact, the age at which one can retire has been creeping up with each passing year. With such an infrastructure in place running into financial trouble at some point is almost a certainty.

In fact, unless you were born into great wealth, chances are, you have experienced a financial crisis. Whether you are going through it for a short period of time or it has settled in for a lengthy

stay, financial hardship is precarious and always brings about a turbulent and emotionally fraught environment.

Navigating through a personal financial crisis can be a taxing endeavor, particularly if your income simply isn't enough to satisfy all of your needs. When this happens, many of the things that make life enjoyable and comfortable move to the back of the list as the things that ensure your survival quickly get prioritized.

Finding food, clothes, and placing a sturdy roof over your head become the primary goal. Of course, this approach swiftly becomes unsustainable in the long run.

In order to reduce the duration of your struggle and ease your financial burden, you must do two things. Organize

and control your finances, and utilize all available resources. Doing this will not only reduce the duration of your struggle, but it will also help you avoid the all too common pitfalls and consequences of digging deeper into debt. Of course, before you can use the resources that best fit your situation, you must assess them.

### A Plethora of Possibilities

**Resource** – a source of supply, support, or aid, especially one that can be readily drawn upon when needed.

Although the following words might sound cheesy and somewhat cliché, you are not alone in these situations. In fact, a great number of institutions, companies, and individuals alike, stand ready to help you overcome your situation.

Some of these will try to make a profit while doing it; while others will lend a hand out of concern or kindness. None of these resources will come knocking at your door. It is important that you personally seek them out.

When in need of help, the first question is often where to look for assistance. Time constraints and urgency often lead one to rely on the safest and quickest possible options. After all, you might not be able to afford the luxury of a second try. To help, we have created a list of potential resources that may be available and beneficial, depending on your situation.

We have broken it down into four categories with each resource covering different aspects of a financial crisis, either directly providing the goods needed for one's survival or sharing their knowledge in an attempt to better

*(Continued on page 2)*

# Finding Resources In a Financial Crisis

(continued from p.1)

the situation. These resources might allow you to gather more information about your current financial situation, enlist the help of a professional or provide for some of the things you need. Whatever your situation, you are bound to find something to help ease the burden and get you back on track.

## Self-Help: Financial Planning and Online Resources

The first thing you should always do during a financial crisis is to stop the hemorrhaging of money. Small everyday expenses such as a cup of coffee or a sandwich might sound like nothing at first, but they hold the potential for huge repercussions on your monthly balance if left unchecked.

In fact, buying your lunch every day instead of bringing it from home might not be your only mistake. If you need help to find out where your money goes, or if you feel like your money management skills could use a bit of honing, the Internet is the first place you should visit. The World Wide Web contains an unimaginable number of guides, tips, and tools that you can employ to review your expenses.

There are a lot of online financial tools that allow you to keep a close eye on your current situation, analyzing incomes and expenses, while suggesting possible modifications in the process. Your perfect budgeting tool will depend on your personal preferences, such as if you want to link your bank accounts or if you have investments to

consider. Either way, you'll find a great list of premier online budgeting tools at <https://www.moneyunder30.com/best-budgeting-tools>

Additional underutilized aspects of online resources are financial blogs and forums. Financial blogs and forums can be the perfect place to learn new tricks and communicate with other people who share your same burden. While we know a simple Google search will give you plenty of yields.

One of our favorite financial forum hubs is <http://www.savingadvice.com/forums/>. Additionally, you can read about 2017's top personal finance bloggers at <http://www.financialsumo.com/top-millennial-personal-finance-blogs/>. Simply connecting with

*(Continued on page 3)*

## Giving back in good times

We've mentioned that many community resources for those who have found themselves in unfortunate circumstances are made possible by volunteer hours, donations and fundraisers. It is essential that these organizations receive help from others in the community who are able to pitch in and donate time and items to a good cause. When you have a chance you should look in to giving back to the community where you live. Many financial guru's recommend setting aside up to 10% of your income for charity. Not only does it help with your tax situation, it also makes you feel good to do something for others!

Giving doesn't have to be hard. Participate in food drives by offering cans or non-perishable food items. Collect your old clothing and appliances to send off to the local thrift shop. This helps not only the people purchasing the clothing at lower costs, but provides jobs and job training for thrift shop employees.

Consider sending old baby clothing, car seats, strollers, cribs and toys to the local women's or family shelter. Throw in a package or two of diapers or feminine products which are always in demand.

Left over construction materials in reasonable quantities can be donated to Habitat for Humanity for use in building new homes for lower-income families.

Is it time for a haircut? Donate your hair of 10" or longer to Wigs for Kids or Locks of Love where it will be made into affordable wigs for young cancer patients.

Watch for opportunities to participate in local fundraisers and consider doing your birthday and Christmas shopping there. You can purchase arts and crafts from charitable christian care centers, attend charity auctions. Watch for chili or ice cream bowl dinners and attend with your family. Buy a box of Girl Scout cookies when you see them and buy a second to send to our troops overseas.

You can also donate time working with less fortunate children through Big Brother Big Sisters, Boys and Girls clubs, and community after school programs. There are many opportunities to make a difference!

like-minded people that have been in your shoes and can point you in the right direction may be all it takes to move you in the right direction.

Remember, while the Internet remains an ever-accessible and free source for information it is important that you check the validity of your sources before you undertake any advice. When scouring cyberspaces for a solution to your issues, remember to take guides and suggestions with a pinch of salt and approach them with caution.

## Community: Close to home

If tweaking your spending habits doesn't solely suffice, you might need more material or concrete help. Before you go looking for a loan; you should first look around you because you might find help to bridge the gap within your local community.

Although offering specific information on community resources is impossible, as the type and scope of the offered services vary from place to place; many communities throughout the U.S. work hard to support those in need.

Throughout the nation there are scores of non-profit organizations staffed by volunteers and run with only donations and contributions. Because of this their services are usually offered free of charge to those who need them.

Food banks are probably the most well-known and used type of charity organization. Food bank workers can often be spotted collecting surpluses and donations from both stores and the local populace.

All collected edibles are then gathered and put in store to be offered to the less fortunate. Food banks and free food pantries may be run by charities, non-profit entities or church organizations.

Additional non-financial support may be available from these same organizations. This additional assistance may include free clothing or cooked

meals (such as at a soup kitchen) or even temporary shelter. Although often times these programs are not run by social services, you can still contact them for a referral to all of these available resources within your community.

While a full belly is certainly a good thing, clothes are almost just as important. If your finances have seen better days, it might be hard to acquire proper clothing for the hotter or colder parts of the year.

While we know that sometimes community resources for clothing are available, often the clothing selections are limited. If you find that your area is meager in clothing resources, try your local thrift shop.

Thrift shops can be a lifesaver when all free resources have fallen short. Shirts, trousers, skirts, and heavier pieces such as coats, hoodies, and pullovers are donated to thrift shops all the time. Thrift shops then turn around and offer them at a much lower price than retail chains.

A hot meal and a warm cover are helpful, but still, they remain only a temporary solution. Rest assured that climbing out of the pit of financial despair is possible, but sometimes that means you need to reset and garner some sound financial advice.

This is where credit counseling can help. Credit counseling has the power to change the trajectory of your life. They can help you get out of debt quickly, which is a necessity for those swimming in debt and struggling to pay bills.

While credit counseling organizations don't give you a handout, they certainly give you a hand up. In fact, here at the Family Financial Education Foundation, our credit counseling services are designed to help you build critical money-management skills and get you out of debt fast. FFEF is a non-profit 501(c)(3) credit-counseling agency and while we aren't the only credit counseling agency, we pride ourselves on being the best.

## The Government: A helping hand

Blindsided and thrown into the fray by a sudden financial downfall, people often shy away from seeking help from the government but this is a mistake. Hard times are not the time to let ego get in the way of the help you need to get out of the situation you are in.

For most of us, part of our income we earn is taxed. This tax is called, rather obviously, income tax. During the

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years that you have worked (past and present) you have paid for housing, food, education, healthcare, and social security benefits for others. Such is the infrastructure of our government. It is important to keep in mind that the same system you have paid into for your entire working life is now there to help you (if you qualify).

One of the quickest ways to find out what government assistance programs are available to you is to go to [www.benefits.gov](http://www.benefits.gov). On this government website, you will find online government resources that may provide food, housing (or reduced rent), childcare and healthcare. The lower your income, the more likely you will qualify for these programs. It is important to keep in mind that some of these

*(Continued on page 4)*

# Finding Resources In a Financial Crisis

(continued from p.4)

processes take a long time, so it is imperative that you start as soon as you see that financial troubles are on the horizon.

Also, food, housing, childcare and healthcare assistance are not the only assistance that may be available to you. The government also offers grants; specific loans and scholarships to those who wish to broaden their knowledge or complete their academic work but do not earn enough money to freely do so..

## Financial Institutions: Assistance For A Price

After all of this investigating and assessment, you may find that you do not qualify for government assistance and the community resources available to you are not enough to get you out of the hole you are in.

Many people fall into a gray area of not making enough to survive comfortably and yet earning too much to qualify for any real help.

While budgeting and saving are the single best way for people in this situation to dig out of debt, you may find that getting help from for-profit (commercial) entities is a last and only solution. The problem with this scenario is that many of these companies were created to make a profit from one's misfortunes and will charge you for their services and time.

**You have a choice of several different avenues when it comes to commercial entities.**

Professional financial and budgeting services can provide you with a small army of consultants and experts that stand ready to spring at attention to the sweet sound of your money. These financial firms often deal in packages, offering a specific array of services at a predetermined price.

Once paid, professionals will then take care of your current finances, coming up with short and long-term solutions to your problems.

These firms are particularly suited for small businesses going through a crisis but will sometimes also work with individual citizens. The trouble with taking this avenue is that in order to gain access to their services, you will need money up front. This is a problem if you are already under financial strain.

When you have no upfront money and the need for cash cannot be otherwise satisfied, visiting a bank or a credit institute for a loan is the last resort. The reason this is the last resort is because not only does it put you into more debt but also the potential for these financial operations to wreak havoc on your credit score and within your life is astounding when you find you cannot pay them back.

Add the fact that nobody is ever going to give you anything for free, which means that interests will have to be paid and you can see why this should be a last-ditch effort.

Now that we have determined that a loan is no proper solution to a financial crisis it is important to talk about things that may be even worse than a conventional loan.

While traditional banks and other credit institutes throughout the country might offer loans at extremely low or otherwise convenient rates, if your credit is poor, you often cannot gain a loan with these advantages. When this happens, you may become tempted to accept the terms of a predatory lender.

Predatory lending is usually done with short-term, unsecured loans that request exorbitant interest rates and impose severe penalties when paying late. It is no coincidence that you see check

cashing storefronts on every corner in some of the poorest neighborhoods. These lenders can be unscrupulous and run their business by taking advantage of people with poor credit that have no alternatives. You should proceed with extreme caution before moving forward with any such transaction. Instead, a thorough examination of your financial habits, cutting extra costs and saving as much as possible is preferable.

## In Conclusion

Running into financial problems is both a normal and very common event. At a certain point during the journey, poorly planned expenses or other sudden circumstances might render someone unable to provide for themselves and their families. In these situations, panicking and knee jerk reactions are counter-productive.

Instead, take the time to assess your resources and use them on your road to financial recovery. Above all, vigilantly monitoring the way you earn and spend money, fine-tuning the act of living within your means and adhering to a budget will not only help you tackle and overcome a financial crisis, but will prevent those hard times from ever occurring in the first place.



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