

ASSESSING YOUR FINANCIAL SITUATION

When your bills add up to more than you can pay, you need to make some tough decisions about which bills get paid and which don't. Use the worksheet below to work through your situation.

First, list all of your current expenses, both fixed and discretionary. Next, go through each expense and write down the consequence that would happen if that bill was not paid. Which bills most directly affect the health and safety of your family? What will you lose if the bills are not paid? These become your "essential" expenses. For example, not paying your rent or mortgage could result in not having a place to live. Missing utility payments will surely mean the eventual disconnection of your heat and electricity. Failure to pay child support can have serious consequences. You may have your paycheck garnished, have your tax refund taken, or be jailed. If you own your home and fall behind in your property tax payments, you could face foreclosure. Finally, rank the priority for paying each of these expenses.

Name of Expense	Amount	Consequence If Not Paid	Priority

Also, take this opportunity to identify actions you can take to get you closer to meeting your expenses:

- Identify any items in your house you might be able to sell.
- Look at your housing situation and decide if it makes sense to move to another location temporarily.
- Contact your local human services office to see if you qualify for Food Stamps or childcare benefits.
- If you do not have health insurance, your reduced income may qualify you for Medicaid.
- Contact your local utility company and ask about a deferred payment agreement.