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When You Need Money

Finding time in your day to plan and budget your money can be tough. There are always busy schedules and family demands. On top of that, having more bills than money can really add to feelings of financial stress.

Studies show that about half of all households have a large, unexpected expense during the year. Paying for a large expense is even more challenging when your income changes from month to month. Saving money when your income is up can help to cushion your budget when your income goes down.

But what do you do when you have a big, unexpected expense and no cushion set aside? Sometimes it's a matter of increasing your income, decreasing your spending, or doing some of each to get the biggest bang for your buck. When you find yourself short on money, it can also be helpful to think about what caused the shortfall:

- A onetime big bill?
- An increase in monthly living expenses?
- A decrease in income?

Knowing what led to the shortfall can help you match the options that are right for your situation—in the short run and the long run.

Bringing in More Money in the Short Run

Who couldn't use a little extra cash? Some options are better for a quick, one-time source of funds to cover a big bill or get caught up, while others will take more time and planning. Here are some ideas to think about:

- Sell items—have a garage sale or sell online.
- Do odd jobs—housekeeping, yard work, car maintenance, pet sitting. Use your talents and tools.
- Get a roommate if you own your home and have the space, or if your landlord allows more tenants. Of course, you'll want someone you trust and get along with.
- Saving for retirement or college? Cut back on your contributions just until you get caught up.
- Ask for extra hours at your current job. If there is no extra work right now, your boss will know you're interested in the future.
- Change tax withholding from your paycheck, especially if you get a big tax refund at the end of the year. The IRS has an online tool to help you figure out how much to pay in taxes without owing at the end of the year. Go to <https://www.irs.gov/individuals/irs-withholding-calculator>
- Claim tax credits during tax time. Even if you don't earn enough to owe taxes, you could still get extra money back by filing for tax credits, like the Earned Income Tax Credit or Homestead Credit.

Boosting Your Income in the Long Run

Can you build your skills or develop new ones?

Workforce Development Programs provide training for new, high-demand jobs. Programs are offered through technical colleges and universities, unions, and other types of apprenticeship programs. To find Workforce Development Programs in Wisconsin, check with your local Job Center: <https://jobcenterofwisconsin.com/>

Have you thought about starting your own business?

It takes an average of 3-5 years to earn a profit on a new business. Some people start a business as a part-time job to boost their current work income even though it can be challenging to juggle multiple jobs and demands. Find resources to help you start or expand your own business at: <http://worknet.wisconsin.gov/>

Lowering Expenses

If you have a big bill, call the creditor and find out if you can make small monthly payments. If yes, this will lower the hit to your monthly budget. Then look at other monthly expenses you may have control over:

- Cancel services for phone or cable—but only if you don't have cancellation fees.
- Get creative in the kitchen—use up those canned goods and dried beans in the cabinet.

For More Information...

Contact your local UW-Extension Family Living Educator for more financial education resources. Go to www.uwex.edu/ces/cty/ to find your County office.

For help with balancing your monthly spending plan, contact a non-profit Certified Consumer Credit Counselor online at www.debtadvice.org or by calling 800.388.2227.

- Track your spending and look for other areas where you can cut back, even if just for a little time.

If you've had a drop in income, you may be able to get public benefits to help pay for groceries, heating, or school lunches. Your taxes have paid for these benefits, so be sure to check them out: <https://www.dhs.wisconsin.gov/forwardhealth/index.htm>—<https://access.wisconsin.gov/>

Borrowing and Debt

It may not be possible to increase income or lower expenses enough to cover a big bill. If you decide to borrow money, think about how you'll pay that loan back, how much interest you'll pay, and how to adjust your spending so you can make the loan payments.

Payday/title loans

Interest rates range from 350-500%. It can take months or years to pay back a payday loan. You may pay back almost double what you borrow.

Credit Cards

Figure out your monthly payment with the new charges. Using too much credit can lower your credit score and even raise your insurance rates.

Borrowing from Family or Friends

This can be stressful and cause problems with relationships. Talk about how and when the loan is due. Put it in writing so everyone is on the same page.

To Sum It Up:

- \$ Some options for boosting income are better for one-time bills and other options can help with regular monthly shortfalls.
- \$ Check into resources that can help increase your income.
- \$ Borrowing now means you'll have less money later.
- \$ Track your spending so you can find places to cut back and free up money in your budget.

UW-Extension "Money Smart" is provided by UW-Extension Family Living as part of the "Money Smart in Head Start" Financial Capability Project funded through the Annie E. Casey Foundation and reviewed by Ruth N. Schriefer, Family Living Agent, UW-Extension Iowa County. Authored by Sarah Siegel, Family Living Educator, UW-Extension Wood County and Peggy Olive, Financial Capability Specialist, UW-Madison/Extension. University of Wisconsin, U.S. Department of Agriculture and Wisconsin counties cooperating. Copyright © 2017 by the Board of Regents of the University of Wisconsin System doing business as the division of Cooperative Extension of the University of Wisconsin-Extension. All rights reserved. An EEO/AA employer, University of Wisconsin-Extension provides equal opportunities in employment and programming, including Title VI, Title IX, and the Americans with Disabilities Act (ADA) requirements.