

# When Your Income



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Income loss is traumatic, whether it's your entire family income or a second income which maintains your standard of living. Reduced income may be a result of company layoffs, a bad year in your business or farm operation, divorce, separation, illness or death. NOW is the time to take charge of your money.

The steps you can take to lessen the financial hardship are:

- Step 1** Take advantage of community and state resources.
- Step 2** Take control of stress.
- Step 3** Set spending priorities.
- Step 4** Develop a credit payment plan.

## **Step 1 – Take Advantage of Community & State Resources**

### **Unemployment Compensation:**

File immediately for unemployment benefits if you have lost your job.

Listed in the telephone white pages under N.H. State of – Employment Security will be the office nearest your home.

To receive unemployment compensation benefits, you must:

1. Be totally or partially unemployed.
2. Be registered for work with the NH Employment Security office.
3. Be available for full and part-time work.
4. Be able to perform full or part-time work.
5. Be actively looking for full-time work.
6. File a timely claim for benefits.
7. Have sufficient earnings in the base period used to compute your benefit rate.
8. You must participate in re-employment services if selected by the department.
9. You must report any refusal or referral to work.

10. You must disclose whether or not you are required to pay child support or whether you owe uncollected over-issuance food stamps.

The maximum number of weeks you can receive benefits in the benefit year is 26, unless extensions have been granted by the government.

### **N.H. Food Stamp Program:**

The Food Stamp Program is about good nutrition and health. It provides eligible individuals and households with benefits to buy food items at grocery stores, and other participating food retailers. The Food Stamp Program also gives recipients a chance to learn more about purchasing and preparing nutritious meals.

You may qualify for food stamp benefits depending on your household size, income, expenses and resources. You may qualify even if you own your home, have no home or live with someone else. You can have a job and you don't have to have children as long as your household meets eligibility guidelines.

Your food benefits are directly deposited once a month into your Electronic Benefit Transfer EBT food stamp account. You will use an EBT debit card to go shopping at participating grocery stores. At check out, you will use the same card machine used by all other customers. The store clerk is trained to assist you if you need help.

### **N.H. Women, Infants and Children Nutrition Program (WIC):**

The New Hampshire Women, Infants and Children Nutrition Program (WIC) provides nutrition education and nutritious foods to help keep pregnant women, new mothers, new mothers, infants and preschool children healthy and strong.

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through the NH WIC Program. The WIC Program has locations statewide and income eligible families are encouraged to apply. WIC Nutrition Services also administers other health and nutrition programs.

[Commodity Supplemental Food Program](#) (CSFP) a nutrition education program that provides free food and nutrition information to promote good health for seniors age 60 and over, children up to age 5 and postpartum women for a year after the birth of a child.

### **N.H. Temporary Assistance to Needy Families (TANF):**

The TANF program provides financial assistance in the form of semi-monthly payments to needy families with children under age 18 (or under age 20 and a full-time high school equivalent student) in which one or both parents are disabled, deceased, unemployed or absent from the home.

Eligibility for TANF depends on the household circumstances, income, resources, and expenses.

For more information, you can visit your local NH Department of Health and Human Services District Office or call 1-800-852-3345 ext.4238.

### **Fuel Assistance Program:**

The Fuel Assistance Program is a federal grant to low income households to assist in paying fuel bills. The program gives a seasonal (Dec.-Apl.) total amount, from \$150 to \$1125, in assistance to each eligible household for energy payments and utility bills.

For more information, call the Community Action Program listed in the white pages of your telephone book.

### **Direct Relief:**

Each town and city in the state administers its own relief programs. Help is usually granted in the form of vouchers paid directly to vendors for food, rent, heat and utilities.

For more information, call the Welfare Department or the Selectman's office in the white pages under your city or town in your telephone book.

### **Child Care:**

The child care program provides help in paying for child care necessary for training, education, or employment. Costs are reimbursed up to established maximums. The maximums differ based on gross income, the age of the child and whether the care is provided by a contract center or non-contract provider.

For more information, visit your local NH Department of Health and Human Services District Office or call their Child Development Bureau at 1-800-852-3345 ext. 4242.

### **New Hampshire Pro Bono:**

New Hampshire Pro Bono provides free legal services to low income people. For more information, call 1-800-639-5290.

## **Step 2 –Take Control of Stress**

Chances are you and your family are experiencing a high degree of financial stress. Once you're over the initial shock, don't panic. Since your income has dropped, you're worrying about where you'll find the money to pay necessary bills and obligations.

The temptation to tailspin must be avoided as much as possible. Feeling the effects of stress is very human and very natural. That doesn't make it pleasant. Don't blame yourself or think the world has come to an end. Don't blame your partner for what has happened or take out your frustrations on your family.

Stress is thought to play a significant role in heart attacks, high blood pressure and cancer.

Stress alone probably doesn't cause these disorders. Rather it's one factor in their onset and progression. Stress also contributes to many types of accidents through human error, fatigue, worry and haste.

### **What Can You Do?**

You have found yourself in the middle of a personal, a family, and a financial crisis and you need to be able to maintain control. Concentrate your efforts on keeping your psyche, your family, and your body as strong as possible.

Don't blame yourself for what has happened. Many other people are in your situation and hard as it is, they learn to overcome their difficulties. Find support with friends, family and others going through similar circumstances. Search out support groups that meet your needs, whether that is for the unemployed, widowed or divorced. The anger and depression you feel will gradually disappear. Recognize it for what it is a natural and temporary feeling.

Don't keep anxiety and anger bottled up. Talk out your problems with your family or someone close to you. Be honest about your situation, your anger, your hurt and your confusion. Take one step at a time. Some changes in our lives are permanent. In time, they must be accepted if we are to move on. Set small goals and celebrate your progress. Don't try to resolve all your problems at once.

Keep yourself occupied, active and involved. The loss of a job or a loved one can present you with more time than you want to think about your troubles. Of course, you need to spend time planning your future, searching for a new job or a new identity. Spend some of your time doing those family and personal things you've been postponing for years. It may involve work – getting the house or yard in presentable order. It may be recreation – card games, sight-seeing, a picnic or a ball game with family or friends. It may be community involvement. Donate some of your time and talents to a community project, your church, or to someone who needs help more than you do. Doing something for others will help them and improve your own self-esteem. You will set an example your family can be proud of and may even provide a worthwhile entry on your resume.

Although your family income may be sharply reduced, you must maintain good nutrition. Shop carefully for a balanced diet. Reduce alcohol and cigarette consumption for savings and improved health. Exercise regularly to keep fit, reduce tension and help your self-esteem. Exercise, particularly if you are feeling depressed.

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Maintain medical and life insurance if possible. Studies show unemployment is particularly stressful and can sometimes lead to health problems in the family. You may have been insured under your employer's group health, accident and life insurance

plan. Find out what provisions exist under that health plan for extending insurance coverage after a layoff.

Usually, your group's policy will allow you to continue to pay for coverage up to a maximum of 18 months after you leave the company. You won't be asked to undergo a medical examination, but you will have to pay the group policy monthly premium.

### **Step 3 – Set Spending Priorities**

One of the hardest things to cope with is that you can't spend as much now. Pretending nothing has changed won't ease your financial burden. Finding ways to reduce your spending and increase your income is going to be your challenge.

You need to know where you are financially so you can adjust your spending. If your family doesn't follow a spending plan, this is the time to start. A spending plan is like a road map. It tells you where you are now, where you have been and how to proceed toward your desired destination.

Creating a spending plan isn't difficult. Requirements include income and spending records, a knowledge of family spending goals and priorities, and a certain amount of patience and discipline to get the plan started and see it through.

On page 4, in column A of Chart 1, write down the amount of money you had coming in monthly before you experienced a loss of income.

Then, in column A of Chart 1: Use past spending records to estimate your expenses before your income was reduced. Use checkbook stubs or expense receipts. If you are having trouble estimating your expenses, you may need to track your spending for a few weeks. Write down what you spend every day for a month just to get a handle on your expenses.

Next, in column B of Chart 1, write down the amount of monthly income you now have to spend. It's important to know how much income you'll have to work with so you can plan where it needs to go. Include income from all family members, paychecks, unemployment compensation, child support, alimony, or government assistance.

In column B, list your expenses. Now you have a picture of your income and expenses.

If your reduced income is equal or greater than expenses, you're in good shape. If your expenses are



greater than your income, look for ways to gain control. You may be able to cut back on utilities, food, gasoline, clothing, recreation, contributions or gifts.

For further information about spending/savings plans, call or write your local UNH Cooperative Extension office (listed on page 8) and request a free eight-page publication entitled, "Developing A Spending/Savings Plan," or view this publication at [http://extension.unh.edu/resources/files/Resource000460\\_Rep482.pdf](http://extension.unh.edu/resources/files/Resource000460_Rep482.pdf)

### Where Can You Cut Corners?

You can minimize the undesirable effects of a cut in income by following a few basic survival principles. Learning and following good management practices with a positive attitude can be a source of satisfaction itself.

Here are some ideas you may want to try in your household. Not all ideas will apply to everyone, but everyone should be able to find some ideas to try.

### Don't Buy It

Apply this idea at first. If you have a hard time not buying, stay out of stores. When you do go, take only the money you must have for your real needs and leave your charge cards home. Ask yourself if you really NEED this item.

Before buying, ask yourself:

1. Can I do without it?
2. Can I postpone its purchase?
3. Can I substitute something else that costs less?
4. Can I shop around for a better deal?
5. Can I use my own skills to make it?
6. Do I already own one?

<b>Chart 1</b>	<b>Monthly Income and Expenses</b>	
	Column A <b>Before Reduced Income Amount</b>	Column B <b>After reduced Income Amount</b>
<b>Income</b>		
Salary, wages earnings	_____	_____
Unemployment compensation	_____	_____
Child support, alimony	_____	_____
Salary and tips	_____	_____
Social Security Other	_____	_____
<b>Total Monthly Income</b>	_____	_____
<b>Expenses</b>		
Housing	_____	_____
Utilities	_____	_____
Food	_____	_____
Transportation	_____	_____
Clothing and Personal Care	_____	_____
Medical and Health	_____	_____
Education	_____	_____
Recreation/Entertainment	_____	_____
Contributions and Gifts	_____	_____
Other	_____	_____
<b>Total Monthly Expenses</b>	_____	_____
<b>Total Monthly Income</b>	_____	_____
<b>Minus total monthly expenses</b>	_____	_____

## Economize

You can economize in several ways. Substitute less expensive for more costly resources. Find new uses for resources you already have. Conserve resources through wise use. Cooperate with others to stretch resources. Take advantage of community and state resources.

### Food

1. Substitute lower cost ingredients to meet nutritional goals, family tastes.
2. Compare: cost per serving, brands, cost per unit (ounce, quart, etc.).
3. Buy produce in season.
4. Buy generic brands when suitable.
5. Plan use of leftovers.
6. Entertain at home.
7. “Brown bag it” at work.

### Clothing

1. Repair clothing.
2. Swap items of clothing with other family members or friends.
3. Carefully coordinate items of clothing and accessories so they can be used for several outfits.
4. Hang some laundry on clothes lines to dry instead of using dryer for each load.
5. Organize laundry so a minimum number of loads are wasted each week.

### Child Care

1. Share child care responsibilities with a neighbor or a friend.
2. Participate in car pool for children’s school activities.

### Medical

1. Serve nutritious meals to cut down on illness and tooth decay.
2. Develop good health habits.
3. Have regular check-ups to prevent chronic ailments.
4. Shop around for a doctor and dentist whose fees are reasonable.
5. Investigate services offered by local health agencies, and hospitals.

### Transportation

1. Repair and maintain your car.
2. Plan trips to make best use of your transportation dollar.
3. Change oil, oil filter and spark plugs yourself.
4. Car pool, share rides.
5. Trade skills to repair or maintain cars.

## Housing

1. Maintain your house. Make minor repairs so they don’t become major ones.
2. Shop sales or yard sales for furnishings and appliances.
3. Rent or share equipment or services used infrequently.
4. Conserve energy: insulate, use weather stripping, storm windows or plastic over windows.
5. Hold a neighborhood garage sale to raise money, get rid of unneeded items.

## Additional Savings Tips

### Shop for the Best Buy

It often takes time and energy to find the best buy. The best buy for you is the item that will serve your needs at the lowest possible price. Finding the best buy may mean looking in several places – catalogues, newspapers and different stores. Sometimes, secondhand stores offer the best buy. If you know exactly what you need or want, it will be easy to find the best buy for you.

### Conserve

One way to stretch resources is to find ways to make things last longer. Almost every product we buy needs some kind of care. See if you can find ways to make the items you buy war longer, last longer or keep from spoiling before you use them. Treat the things you buy as you treat your money! Think “How can I make this resource last? How can I use it more efficiently?”



### Switch

Foods and household products are easily switched. Check generic costs and store brands against nationally advertised name brands.

Look critically at your entertainment activities. Is there some other form of recreation that will work? Instead of going “out,” invite friends in for a pot luck meal where everyone brings a dish.

### Turn Your Skills into Money

Explore ways you and your family can turn your skills into money. There are several options for increasing your income.

The most obvious is to seek employment. One or more family members may be able to find full or part-time employment. Older children may be able to find

ways to earn their spending money plus maybe even add to the family's income.

Sometimes, it may be more desirable to stay close to home to supplement your income. If you have the skills, knowledge and time, you may want to consider being your own boss. You have to find what others need and if they would be willing to pay you to provide the services.

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**Child Care: Share child care responsibilities with a neighbor or a friend. Participate in carpooling for children's school activities.**

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#### **Step 4 – Develop a Credit Payment Plan**

Loss of income often forces a change in your decision-making strategy. Instead of selecting a course of action that will do the most good, you may be temporarily forced to choose a course that will result in the fewest undesirable consequences.



In other words, if you face a list of bills too long for your current resources, hard choices must be made as to which bills should be given high priority and which can be deferred, renegotiated or otherwise settled.

It's important not to leave these decisions to chance. Keep in mind that, usually, these are temporary measures. To succeed in the longer run, you will need to find permanent means of reducing expenditures, increasing income or both.

#### **How Much Do You Owe?**

Just in case you don't know, here's a way to find out. Gather your bills for the past month. List, for each bill, on Chart 2 on page 7, total balance owed, payment due date, minimum monthly payment and what will happen if it isn't paid.

#### **What Do You Own?**

To determine the resources you have to pay your bills, you'll need to look at everything you own with the idea that its market value might help you pay bills for a while. Use today's value (what you could sell it

for, not what you paid for it). Assets could include cash, checking and savings accounts, cash value of life insurance policies, certificates of deposit, stocks and bonds, collections and household goods. Now you know what you own.

If you have an emergency fund, use this fund first to pay your bills. Items that you own can be sold for cash which will help with paying your bills.

If you don't have an emergency fund or if the fund has been depleted, you can access unsecured credit, such as cash advances from your credit cards and bank overdraft privileges. Be very careful you don't overextend yourself through the use of unsecured credit. It's very tempting to use, but if you don't have the resources to pay it back in a short time period, the interest you pay will be considerable.

Another source of income is borrowing from family members and/or friends. If this takes place, keep track of how much is owed to each person. Find out whether the lender wants you to pay back the amount borrowed or if it's a gift.

If the money is to be paid back, find out whether the lender wants interest paid on the money borrowed.

Determine when the money will be paid back and whether it will be in a lump sum or in installments.

It's important for family members or friends to treat borrowing from family members or friends as a business arrangement so it won't cause negative feelings.

#### **Bill Payment Plan**

Once you know your income, your expenses, what you owe and what you own, you're ready to talk to your creditors. Your experiences with your creditors are important. If you have been up-to-date paying bills in the past, your creditors will be more cooperative than if you didn't make regular payments.

As you review that stack of bills, consider which creditors you should pay first or, which creditors you can least afford not to pay.

#### **Set Priorities**

First, plan to pay those bills which:

1. Maintain shelter (rent or mortgage)
2. Maintain vital services (utility, phone, transportation, insurance)
3. Cost the most to postpone (bills with late penalty, repossession, or disconnect-reconnect charges)
4. Are likely to be vigorously collected.

Chart 2		Debts Owed		
Company	Total Balance Owed	Payment Due Date	Minimum Monthly Payment	If Not Paid
<b>Total</b>				

**Prepare a Payment Plan**

Don't ignore any of your bills. It's important to contact all your creditors and explain your financial situation. Don't wait for creditors to call you. Talk to each creditor to see if you can make partial payments or if you can delay principal payments and only make interest payments for a while.

Two additional publications that can also be helpful are: "When Your Bills Pile Up" [http://extension.unh.edu/resources/files/Resource000466\\_Rep488.pdf](http://extension.unh.edu/resources/files/Resource000466_Rep488.pdf) which describes a variety of payment plans, and "Getting in Touch With Your Creditors" [http://extension.unh.edu/resources/files/Resource001754\\_Rep2449.pdf](http://extension.unh.edu/resources/files/Resource001754_Rep2449.pdf) which has sample letters to send to creditors. Contact your local Cooperative Extension office (listed on page 8) if you have additional questions.

Don't make promises you know you can't keep. Follow your plan. Let your creditors know any changes that may affect your new repayment plan.

If you are still experiencing financial difficulty and need help in the use of credit and the management of debt, contact the GreenPath Debt Solutions

of New Hampshire and Vermont (1-800-327-6778) to prepare a debt repayment plan for you.

**Conclusion**

When you lose an income concentrate on what you can do. How can you make it while your income is reduced? Identify basic needs.

Keep lines of communication open among family members. Discuss priority needs. This is important if needs differ among family members.

Reduce personal and household expenses. Avoid using credit except for emergencies.

Set priorities for paying bills. Control spending by setting limits for each budget item. Prepare and follow a written spending plan.

Contact your creditors. Explain your financial situation to them. Show them your spending plan and a list of debts you owe. Ask if they can work with you until you can adjust.

Use community and state resources to supplement your income while you are reorganizing.

Look for ways to increase income.

Written by Suzann Enzian Knight, M.O.E., M.S., CFP, Extension Specialist  
Family Resource Management  
Updated January 2011

## **Acknowledgment**

The author acknowledges material adapted from “Living on a Reduced Income,” University of Georgia, Cooperative Extension Service; “When Your Income Drops,” Kansas State University, Cooperative Extension Service; “Money Matters,” Rutgers State University Cooperative Extension Service.

In addition to this publication, the University of New Hampshire Cooperative Extension conducts money management workshops for individuals and families. For more information, go to the University of New Hampshire Cooperative Extension website at <http://extension.unh.edu/Money/Money.htm> , or contact the University of New Hampshire Cooperative Extension office nearest you.

## **UNH Cooperative Extension County Offices**

### **BELKNAP**

635 Main Street, 3<sup>rd</sup> fl. Suite 1  
Laconia, NH 03246  
(603) 527-5475

### **COÖS**

629A Main Street  
Lancaster, NH 03584  
(603) 788-4961

### **ROCKINGHAM**

113 North Road  
Brentwood, NH 03833  
(603) 679-5616

### **CARROLL**

73 Main Street  
P.O. Box 1480  
Conway, NH 03818  
(603) 447-3834

### **GRAFTON**

3855 Dartmouth College Hwy.  
Box 5  
N. Haverhill, NH 03774  
(603) 787-6944

### **STRAFFORD**

268 County Farm Road  
Dover, NH 03820  
(603) 749-4445

### **CHESHIRE**

800 Park Avenue  
Keene, NH 03431  
(603) 352-4550

### **HILLSBOROUGH**

329 Mast Road, Rm. 101  
Goffstown, NH 03045  
(603) 641-6060

### **SULLIVAN**

24 Main Street  
Newport, NH 03773  
(603) 863-9200

### **MERRIMACK**

315 Daniel Webster Hwy.  
Boscawen, NH 03303  
(603) 796-2151

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