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DON'T PANIC–TAKE CONTROL

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Many circumstances can lead to an abrupt reduction in income: a company layoff or cutback, loss of a job, reduced farm income, or loss of a second income from a spouse. Just the threat of any of these situations is a serious blow to individuals and families struggling to survive economically in difficult times.

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 fact sheets suggests a number of steps you can take to maintain financial control. They are:

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) Meet Insurance Needs
9) Sharpen 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 needs to be avoided. Remember the following facts:

- Loss of income affects many people for many different reasons. It may be caused by a loss of a job, a softening of the economy, an illness or death, poor return on an investment, or a divorce. It doesn't help to blame yourself. Chances are it wasn't your fault. In any event, self-blame wastes energy, and the energy you spend blaming yourself could be better spent on dealing with your situation.
- Feeling the effects of stress is very human and very natural. That doesn't make it pleasant. Keep stress at controllable levels by recognizing the signs and taking steps to reduce stress. Developing and following a plan will reduce stress and help you maintain control of your financial position.

One important way to cut down anxiety is to assure yourself you are doing the best you can with the resources you have. The rest of the fact sheets in this series will help you take stock of what you own and what you owe. You are also encouraged to learn about community resources designed to help you and others in time of economic or personal distress. Sometimes people

[1]Adapted from *When Your Income Drops*, written by Barbara Rowe and Denise Schroeder, Purdue University Extension Service, West Lafayette, IN 47906.

are reluctant to ask about "government programs" in time of trouble. However, these are ways in which you and I, the community, have tried to protect our mutual welfare with programs to assist in times of trouble.

After you know the resources you have and are likely to have, talk with your family about how you and they use money. Designing a family spending plan accomplishes two things. It sets your family up for success by thinking positively. And it helps you to survive financially and emotionally until future goals are decided. Fact sheet #5 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 all around, impatiently waiting for you to pay overdue bills. In this situation, avoidance is not the answer. It is extremely important for you to be realistic about your financial situation and meet it with a plan. Fears caused by uncertainty and avoidance are *always* worse than facing the facts and following a plan to take control. Fact sheet #6 gives some ideas for working with creditors to meet your outstanding obligations.

Keeping a roof overhead, the utilities hooked up, and essential insurance is a top priority when income drops. Fact sheets #7 and #8 discuss these concerns.

Fact sheet #2 describes what stress is, why you are feeling it, and how to take steps to keep it at productive levels.

The last fact sheet in the series, #9, helps you sharpen your economic survival skills for a loss of income. You can apply the principles discussed to buying food, running your household, purchasing clothing, choosing transportation, and the other things your family needs.

The entire series of fact sheets, #1 through #9 are available from county Extension offices in Utah and at the web address:
http://extension.usu.edu/coop/family/fampubs.htm

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