



Managing Finances in Uncertain Times



Managing Finances in Uncertain Times

Today's webinar is about handling your financial affairs during unstable periods. However, to be clear, this information is practical regardless of your financial positioning and can be applied at any time and in any household.



Objectives

Financial Hardships

Repercussions

Impacts

Financial Statistics

The Importance of Counseling

Expenses

Needs vs Wants

Crisis Budgeting

Debt Relief Options

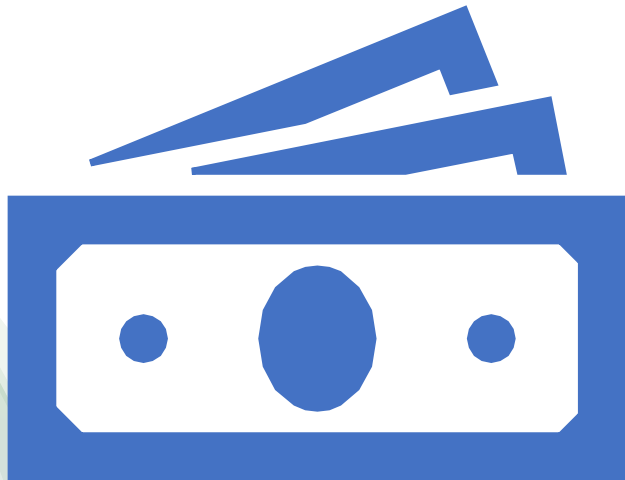
Financial Hardships

A **Financial Hardship** occurs when a person struggles to or cannot make payments toward their debt.

The most common causes of a hardship include:

- Illness or injury
- Change of employment status
- Loss or reduction of income
- Increased expenses
- Natural disasters
- Divorce or separation
- Death

Repercussions



Some consequences of financial hardships can include:

- Late fees & penalties
- Damage to your credit score
- Increase of interest rates
- Difficulty in obtaining future credit
- Eviction
- Foreclosure



Impacts

Not all consequences of financial hardships are credit and money related. There are also mental, emotional and physical ramifications we must be aware of. These include:

- Anxiety
- Depression
- Stress

Statistics

- 58% of Americans have less than \$1,000 saved.
- 20% of Americans don't save any of their annual income.
- 50% of American households live paycheck to paycheck.
- Only 32% of US families maintain a household budget.
- Americans hold a total of \$1 trillion in credit card debt.
- 44% of Americans don't have enough cash to cover a \$400 emergency.
- 38% of US households have credit card debt.
- One-third of Americans have saved nothing for retirement

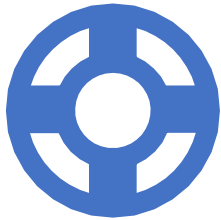
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The Importance of Counseling

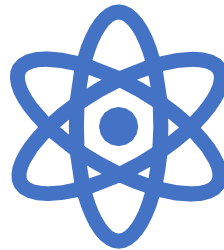
Going through a financial counseling session can help you:

- Eliminate late fees and over limit charges
- Stop collection calls
- Lower interest rates regardless of credit score
- Consolidate bills into one lower monthly payment
- Pay off your debt faster
- Improve your money habits

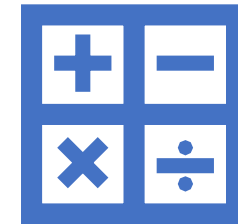
Expenses



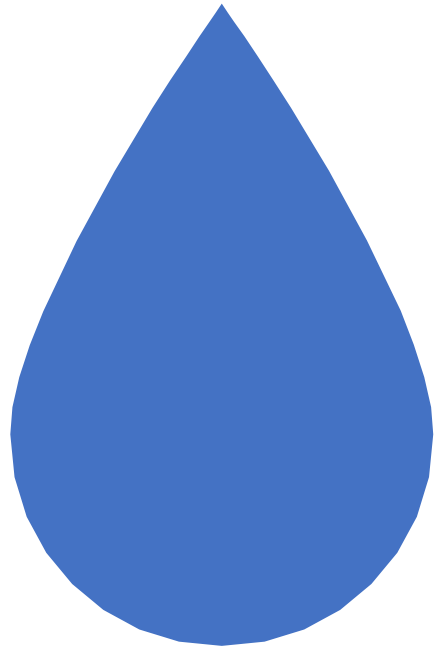
Fixed



Periodic



Variable



Needs vs Wants

To quickly determine the difference between a **want** and **need**, think of a need being something required for survival. **Needs** include water for drinking, food to eat, clothing to keep you warm, and shelter to live in. On the other hand, a **want** is everything else. **Wants** are there to make life a little more enjoyable.

Income Resources

Generating additional income can be accomplished through various methods and strategies. These are a few options to consider:

- Second or part-time employment
- Selling items
- Working overtime

Crisis Budgeting



What is a Crisis Budget?



A crisis budget is different from a typical household budget because it helps you identify the items on your budget that are essential and those that are not.

Crisis Budgeting



How Can I Cut More out of My Budget Than I Already Have?



For some, creating and committing to a budget at all is a difficult enough task to accomplish, so it's understandable that the thought of an even stricter "crisis" budget might seem impossible.

Crisis Budgeting



How Do I Create a Crisis Budget?

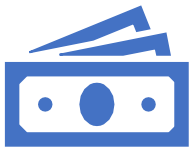


The first step is to have your regular monthly budget in place so that your expenses do not exceed your income. Once this is done, you can begin putting together your crisis budget.

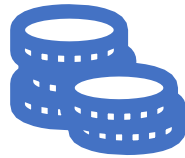
Debt Relief Options

- What are my choices?
- What are the consequences for each choice?
- How will these options affect my credit?
- Which of these options is most appropriate based on my goals?
- Which choice is most affordable?

Debt Relief Options



Do it yourself debt reduction methods



Debt Consolidation Loans



Debt Management Programs



Debt Settlement Programs



Bankruptcy

Wrap Up



Q & A

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