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.
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

© 2021 Consumer Credit Counseling Service of Maryland
All information is for educational purposes only and is not a replacement for advice from a professional.
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
• 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.

source: www.spendmenot.com 10/12/20
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
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.
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
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.
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.
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

© 2021 Consumer Credit Counseling Service of Maryland
All information is for educational purposes only and is not a replacement for advice from a professional.
Wrap Up

Understand
Understand the consequences of financial hardships and act accordingly

Remember
Remember, statistically speaking, we’re not alone

Be
Be open to financial counseling as it’s proven to be effective

Acknowledge
Acknowledge the expenses you have control over

Determine
Determine for yourself the difference between YOUR needs & wants

Don’t forget
Don’t forget the importance of expense tracking to budget effectively

Think
Think carefully before deciding on the most appropriate debt relief option

© 2021 Consumer Credit Counseling Service of Maryland
All information is for educational purposes only and is not a replacement for advice from a professional.
Q & A

© 2021 Consumer Credit Counseling Service of Maryland
All information is for educational purposes only and is not a replacement for advice from a professional.
Our Services

- Budget & Credit Counseling
- Student Loan Counseling
- Bankruptcy Counseling
- Housing Counseling
- HECM Counseling
- Debt Management Programs
- Financial Education Webinars

© 2021 Consumer Credit Counseling Service of Maryland
All information is for educational purposes only and is not a replacement for advice from a professional.