

Cutting Back & Keeping Up

Sample Press Release

Pick up the paper, turn on the radio or TV, sit in front of a computer monitor, or just have a conversation with family or friends. It won't take long until you hear or see something about the current economy and the impact it's having on our households. Many people are struggling to make their money match the month. At the recent state conference of the Wisconsin Association for Home & Community Education, HCE members attended a session on Cutting Back & Keeping Up.

_____ County HCE member your name learned that when the money doesn't match the month – when there is more money going out than coming in, it may be time to think about doing things differently. A change might be necessary if a paycheck is smaller, a room-mate moves out, or if there is a large, unexpected expense.

It's important for people to know where their money is coming from and how much they really have to spend each month. Income might be from paychecks, disability or retirement income, child support, interest, etc. If people anticipate that their monthly income will be reduced, it will be important to know how the money will be spent to match the income.

When trying to figure out where the money goes, UW-Extension encourages people to track the money they are paying out or spending. There are many ways to track spending – the envelope method, notebook method, calendar method, check book register or computer programs. Different people have different preferences.

One thing the tracking methods have in common is that they primarily group the money spent as either a fixed expense or a flexible expense. Fixed expenses are things that are the same or close to the same every month (housing, utilities, insurance, car payments, school loans, debts, etc.). Flexible expenses are things that vary from month to month (food, gas, recreation, clothing, repairs or maintenance, etc.).

If it appears that household expenses are higher than household income, it's time to reduce spending. What can family members leave out or cut from current expenses? Many people start that decision-making process with the flexible expenses.

There is an option to reducing expenses or if people have done all the belt-tightening they can, the other option is to increase income. There may be some tax credits or other benefits that you are eligible for. There may be some items you can sell. There might be a part-time job you can find.

Whenever it's time to consider household spending, and whether or not there is a need to cut back or keep up, it's always useful to have a plan. By tracking expenses, people will know what their bills are. Making a plan to keep the bills paid is important. Following a plan might reduce stress or prevent additional debt. If paying the bills will be a challenge, it's time to contact creditors or work with a credit counseling agency.

For more information on Cutting Back and Keeping Up, join the _____ County HCE members for a program on _____ date & time & location _____. You can also contact your local UW-Extension family living agent her name & phone number or check out the UW-Extension website - fyi.uwex.edu/toughtimes/