

Protecting Yourself in a Financial Crisis

Steps to take if you have trouble paying your bills

If you have trouble paying your bills, or loans, or paying on time, consider these options:

Contact your lenders and servicers to let them know about your situation. Being behind on your payments can have a lasting impact on your credit. They may be able to offer you options such as: waiving ATM, overpayment, and late fees, as well as allowing you to delay, adjust, or skip some payments. When contacting lenders, be prepared to explain:

- Your situation
- How much you can afford to pay
- When you're likely to be able to restart regular payments
- In the case of mortgages, be prepared to discuss your income, expenses and assets

If you're having trouble with a car loan, your lender may be able to change the date of your payment, create a payment plan, and allow a payment extension.

What to do if you lose your income

1. State and federal programs may be able to help people in need. Look at the requirements for making an **unemployment insurance claim** through the State of Wyoming's Department of Workforce Services. Even if you haven't been laid off or had a reduction in your hours, now is a good time to collect the information you'll need for an unemployment claim, like your recent pay stubs and tax filings. You'll want to have your own records ready, especially if your employer is closed.
2. **Take stock of possible sources of cash and credit.** It may not be wise to open a new credit card account, but do know the credit limit on each card you already have. Set aside as much of any expected income as possible, such as from an income tax refund or federal crisis payment.
3. **Scrutinize spending.** Each dollar saved reduces the possibility of having to skip a bill payment or putting something on a credit card. Are there subscriptions you can do without? Is a less expensive cell plan available? Take an aggressive approach. It may be tempting to reduce contributions to a retirement account like a 401(k) or IRA, but it's wise to keep contributing if possible because these funds provide for financial security in later life (plus your money buys more when stock prices are low).
4. **Have a family meeting.** Talk with family members about cutting unnecessary expenses. Have a family discussion about how everyone can contribute to the wellbeing of the family. Check on resources like the size of your emergency savings beforehand so that you have good data to work with. Overall, address painful issues face-on; otherwise, resentment and disagreement will erode relationships. Keep the conversation focused on the problem, not the people.
5. Identify **local sources of help** like food banks and how to apply for government benefits like the Supplemental Nutrition Assistance Program (SNAP) and the Supplemental Nutrition Program for Women, Infants and Children (WIC).

Be aware of potential scam attempts

Scammers look for opportunities to take advantage of the vulnerable, especially during times of emergencies or natural disasters. Be cautious of emails, texts, or social media posts that may be selling fake products or information about emerging coronavirus cases. The Federal Trade Commission has tips to protect yourself from possible coronavirus-related scams.

<https://www.consumer.ftc.gov/blog/2020/02/coronavirus-scammers-follow-headlines>

Communications Basics

From Carrie Johnson of North Dakota State University Extension

When we communicate, what we say may not be as important as how we say it.

Here are some types of money messages we may be giving (or getting) that can get in the way of what we really want to say:

- **Messages that order, direct, command or threaten can send the message that a person's feelings or needs are not important and may make the individual feel fearful and submissive.**

Examples: *"You need to spend less on food."* *"If you don't control your charging, I'll cut up the credit cards."*

- **Moralizing or preaching messages that tell what should be done often result in resistance.**

Examples: *"You really should control the budget better."* *"You aren't putting enough money in your savings account."*

- **Messages that judge, criticize or blame make a person feel inadequate, inferior or worthless.**

Examples: *"Can't you ever balance the bank account right?"* *"You bought that worthless piece of junk?"* *"OK, Genius."*

Ways to Improve Communications

Use "I" Statements

The words you choose and your tone of voice can fuel or defuse an argument. Your spouse is more likely to hear you if you use "I" statements instead of "You" statements. "You" statements tend to be viewed as verbal attacks of blame and criticism. "I" statements focus on you and your feelings.

The three parts of an "I" statement:

1. "I feel ..." Make a clear statement of how you feel.
2. "When ..." Name the specific behavior that caused you to feel that way.
3. "Because ..." Say why the behavior or event is upsetting.

Instead of saying this: *"You never communicate with me about the big purchases you make."* Try this: *"I feel frustrated when I do not know about big purchases because I don't want my debit card to be declined."*