

## **Extension Cord**

*The Extension Cord is a regular column highlighting important events and issues affecting the citizens of Ashland and Bayfield Counties. The articles are written by UW-Extension staff working in Ashland and/or Bayfield Counties.*

*By Heidi Ungrodt*

### **Weathering a Financial Storm**

The economic downturn has affected all of us to some degree. If you are finding yourself crunched for cash due to a job loss, debt or simply the high cost of food, fuel and energy, it may be time to rethink your spending. During tough financial times, it's natural to feel shocked or panicked or want to ignore the situation, but the best thing you can do is to take charge. The following tips and resources will help put you in control of your financial situation.

#### **Tip #1: Don't tackle the problem alone.**

Talk with your family and friends about your financial stress and the changes that might need to happen at home. It is important to face the situation honestly and openly discuss spending decisions with all family members, including children, so everyone understands the changes and sacrifices needed. Families often come out stronger when everyone pulls together.

There are many area organizations ready to help you and your family endure a financial hardship. Often embarrassment or pride prevents people from taking the steps necessary to ask for help and get out of a tough situation. Remember that it takes a strong and wise individual or family to seek help when they need it. So be strong and be wise! (Community resources are listed later in this article.)

#### **Tip #2: Seek help early.**

Most households can't continue to spend at the same rate and maintain the same lifestyle that they had before their income dropped – even if the drop is just temporary. The sooner you look at your household budget, the more options you have and the better off you will be in the long run.

When bills add up to more than you can pay, usually the best advice is to contact your creditors. Creditors are often willing to work with you if you contact them before you fall behind on your payments. If you stand to lose property, take action right away. Talk to your lender or a financial counselor for ideas on how to address the risk. Most lending institutions do not want to repossess or foreclose if you are willing to make some kind of payment.

Be patient and be prepared to be frustrated—you will be on the phone for awhile. If you are not making progress, don't be afraid to ask for a manager or a loss mitigation specialist.

#### **Tip #3: Be willing to forgive yourself.**

You may be tempted to view a financial crisis as a personal failure. It's possible that the situation came about because you've lived your life in a way that has taken you off course. Or you might be in financial trouble because of unexpected life events, such as a divorce, job loss or illness. Neither of these explanations reflects failure; rather, accept that you are doing the

best you can and learning as you go through life.

#### **Tip #4: Focus on the positive.**

No matter how deep your troubles, try to focus on the good things that happen. Ultimately you have two choices: You can focus on what you see as the overwhelming negative aspects of your situation, or you can acknowledge and celebrate positive things that instill hope and give you energy. Positive thinking is difficult when we are feeling challenged, but it will be worth the effort. Appreciate small but significant things such as creative ideas that emerge after negotiating with a lender, or a friend's offer to cook a meal for you.

#### **Tip #5: Be patient.**

Know that your situation took time to create; give yourself time to work out of it, one step at a time.

### **Where to turn for help...**

#### **Housing**

If you rent, tell your building manager or landlord about your situation before the rent is due. It costs money to find new tenants, so the landlord may be willing to work out a solution with you.

If you miss a mortgage payment, the lender will notify you that your payment is past due and may charge you a late fee. If you don't make the mortgage payment or contact the lender after two to three months, the lender may start foreclosure—the legal process of selling your home to pay off the debt. The most important step you can take is to contact your lender **before you miss a payment**; lenders will work with you on a payment solution to avoid the time and cost of foreclosure. You can also look for help by calling the Homeownership Preservation Foundation hotline at 888-995-HOPE or visiting [www.995hope.org](http://www.995hope.org).

#### **Credit Counseling**

GreenPath Debt Solutions is a non-profit organization that offers customized, personal counseling services to consumers experiencing financial stress. GreenPath is also known as the Consumer Credit Counseling Service and is a HUD approved organization. They provide free counseling, free customized budgets and free action plans. A Debt Management Program is also available on a sliding scale basis. Northern Wisconsin residents can reach the Ironwood, MI branch at 906-932-4169.

#### **Tax Assistance**

If you need tax preparation assistance this season, the Volunteer Income Tax Assistance (VITA) program provides free tax preparation with electronic filing for those with an income below \$60,000. There are currently two VITA sites in Bayfield County, the Red Cliff Housing Office (715-779-3744) and the Hayward Senior Center (715-634-3000) which provides service in the Cable area. Taxes are done by appointment only. For a full list of area VITA sites, please visit the Bayfield County Extension website at [www.uwex.edu/ces/cty/bayfield](http://www.uwex.edu/ces/cty/bayfield) or call us at 715-373-6104.

## Food Assistance

Reduce the amount you spend on food by adopting strategies such as purchasing lower-cost sources of protein (dry beans, eggs, and peanut butter), checking ads for weekly specials, and buying cheaper generic and store brands. Take advantage of free or reduced-price school meals for your children. Find out if you qualify for FoodShare or Commodities by contacting your county or tribal human services office (Bayfield County: 715-373-6144, Ashland County: 715-682-7004, Red Cliff: 715-779-3706, or Bad River: 715-682-7127). You may also qualify for the WIC (Women, Infants and Children) Program, even if you are not on public assistance. The WIC office for Bayfield, Ashland and Iron Counties can be reached at 715-682-6661. The phone number for the Red Cliff WIC office is 715-779-3707 x233. The Bad River WIC office phone number is 715-682-7139.

For more information on food resources in our area, visit our website at [www.uwex.edu/ces/cty/bayfield](http://www.uwex.edu/ces/cty/bayfield) or call your county Extension office.

## UW Extension Resources

UW Extension has resources to help you and your family manage wisely in these times of financial hardship. Many articles are available on the web at [www.extension.org/Financial%20Crisis](http://www.extension.org/Financial%20Crisis). In addition, the Extension publications website (<http://learningstore.uwex.edu>) has other materials and workbooks such as *Stretching Your Food Dollar* and *Planning to Stay Ahead*. Contact the Bayfield County Extension office at 715-373-6104 or the Ashland County Office at 715-682-7017 if you would like further information.

This spring, UW Extension, Bayfield County will be offering a series of classes titled *Back to Basics: Ways to Save Money in Tough Economic Times*. Contact the Bayfield County Extension Office to register for a class or for more information.

### BACK TO BASICS

#### Ways to Save Money in Tough Economic Times

Pre-registration is required by calling 715-373-6104.

Deadline is one week before scheduled class.

All classes are free and will be held at the Ashland Ag Research Station on Thursday evenings from 6:30 to 8pm.

Wool Braided Rugs – March 19th

Heating with Wood – March 26

Thrifty Parenting – April 2

Gardening 101 – April 16

Bicycle Maintenance I – Tuesday, April 21

Bicycle Maintenance II – April 23

Yogurt Making – April 30

Clothing Repair – May 7

Long Term Crop Storage – May 21

For full class descriptions, please visit our website at [www.uwex.edu/ces/cty/bayfield](http://www.uwex.edu/ces/cty/bayfield) or call us at 715-373-6014.

