



University of California  
Cooperative Extension  
Tulare County

Agriculture and Natural Resources



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## WHEN YOUR INCOME DROPS

Events such as job layoffs, a bad year in business, or a major illness can lead to a drop in personal income. These situations are serious blows to individuals and families struggling to survive financially.

But there are positive steps you can take. Remember the five Cs:

- **Control** as much of the situation as you can. Don't panic or waste energy blaming yourself or others. Give yourself some time to get over the shock, and then start making plans. Focus on what you can change or do something about. Recognize and control minor stresses. Get enough sleep and be sure all family members take care of their health.
- **Check** on benefits and services that could help your family. As soon as possible, see if you meet eligibility requirements for unemployment benefits, food stamps, cash, or medical assistance. Don't forget to look for local sources of emergency cash, food, or other types of aid as well. You may also want to consider services such as job training and placement or financial counseling. Be patient and don't get discouraged if you are referred to several different people or offices. It may take time and persistence to find and use resources.
- **Communicate** with your family about the new limits on your income. Analyze your situation and talk about it as a family. Consider all your options and then make a plan. Your informal support network of family and friends may also provide comfort and advice.

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- **Confer** with creditors *before* they contact you. If you can't pay your bills on time, don't just ignore them. Estimate your current income and expenses, and decide how much and when you can pay. Then contact your creditors with your plan to repay the debts. Explain your situation. Be realistic and don't make promises you can't keep. Try to work out a payment schedule that all can agree on. Most creditors would rather receive smaller, regular payments than begin debt collection procedures.
- **Change** your lifestyle. Be ready to lower your level of living, at least for the time being. What can your family do to increase income and cut expenses? Do you have assets that can be used to meet expenses? What are your family's most important expenses—the things you *must* have or do—now and for the next six months? Delay purchases that are not an absolute necessity.

To make it through hard times, your family will need to make some important decisions and work together to carry out these decisions. A family commitment to the five “Cs” will help you handle tough financial times.

**Source:** Jones, J. (December 2001). *FCS Resource Update*, Oklahoma Coop Ext Service. <http://fcs.okstate.edu/publications/resource-update/12-01/update.htm>

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