

Tool 5:

When cash is short: Prioritizing bills and planning spending

Even when you have done everything you can to increase sources of income or cut spending, you may still find yourself short on cash. This tool can help you create a short-term plan for weeks or months you cannot pay your bills. Remember, you are responsible for all of your bills and expenses. If you miss payments now, you will have to make them up in the future.

Focus area	Your expense
<p>Protect your income.</p> <p>If you need a car to get to and from work, stay current on your car payment and insurance.</p> <p>Maintain other expenses needed to keep your job, such as paying for the tools you need or required licenses.</p>	
<p>Protect your shelter.</p> <p>Whether you rent or have a mortgage, the costs of losing your home are big. Remember to include the taxes, condo fees, and mobile home lot payments you need to stay housed.</p> <p>If possible, maintain your utilities. They are difficult to live without, and reconnection is expensive.</p>	

Focus area	Your expense
<p>Pay your obligations.</p> <p>Examples include: child support, income taxes, student loans, etc.</p>	
<p>Protect your assets and health.</p> <p>Don't let essential insurance coverage lapse; this includes auto, renter's, homeowner's, and health insurance premiums. Include the cost of your co-pays and needed prescriptions.</p> <p>Not having insurance may mean you cannot drive your car, and it puts your assets, including your health/your family's health, at risk.</p>	

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