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Not enough money to pay the bills

Timely tips to try as the economy rebounds

This economy, the worst I have seen in 25 years of offering financial advice, has left many people unable to pay their bills, including many people who never thought it would happen to them. It's not hard to find suggestions about how to cope. It seems like everyone with a blog or Twitter account has ideas: cut out extras or get a better job, for example.

But what happens when you've cut to the bone and there still isn't enough money to cover the bills?

That's what one divorced mom asked me. She had already cut out extras and she couldn't get a better paying job because of the recession. She wanted to know what she is supposed to do when, even after all the cuts, she still does not have enough money to cover the bills.

It may be hard to believe, but there is good news for this mom: She still has a job. That means she has a reliable source of income to pay at least some of her bills. What can she do to create some extra cash so she can pay the rest?

First, look even more closely at ways to save. Fund only "needs" for now. "Wants" are out. Not forever. Just for now.

Cut expenses deeper. How? Turn down the heat, trim the grocery bill further, shop the warehouse stores, clip coupons. No eating out. No vacations. No gifts unless they're homemade. Substitute home baked for store bought. Carpool. Walk or ride a bike rather than drive.

Consider moving in with a relative for now. No relative to move in with? Talk to a friend and see if you can share living space. Sisterhood is powerful.



SUSAN BEACHAM

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Stop shopping. That means no more new clothes. None. If your kids outgrow everything in a week, look for ways to get them gently used clothes for free.

How? Talk to other parents and see if you can arrange a trade.

Join your local Freecycle.org group and post a request. If you belong to a church, talk

about setting up a clothes closet that allows church members to drop off used clothes that can be made available to other members.

Next, look for ways to bring

in extra cash.

Consider starting your own small business or picking up odd jobs on the side. Maybe you have a talent that someone else would be willing to pay for. Think tutoring kids, offering art lessons, babysitting, cleaning. Look for business ideas that don't require an upfront investment.

Look for a second, part-time job. It may not feel like it, but the economy is starting to improve. Companies are still cautious, however. They may not be ready to hire new full-timers, but many are looking for part-timers to help handle the increased work load.

Sell your stuff. Look around the house and see if your trash can become someone's treasure. Then post it on Craigslist.org. Unlike the better-known eBay.com, Craigslist is a free service that allows you to post your items in the local area. That saves the time and hassle involved in packaging it up and mailing it off to a buyer. YouRenew pays cash for old electronics.

Plan for your future. Spend at least an hour each weekend thinking long term. Write down what you see as your long-term needs and some ideas for how you plan to tackle those future needs. If you cannot get a

better paying job, maybe you need some additional education to get a raise. Check out what's available through your workplace or the local community college.

If these ideas still do not bring your head above water, then see a credit counselor today. Look online and research the reputation of any counselor before you sign up.

Finally, enlist your children in this effort.

You might think you're protecting your kids from stress by not telling them what's going on, but unless your children are very, very young, they sense that there is a problem and they want to help. Assure them you have plan for solving this financial crisis and enlist their help. Ask them how they think the family can cut costs and assign them a job that helps save money. For example, one child could be in charge of making sure the heat is turned down to 65 at night while another could be given the task of turning off the lights in rooms where they are not needed.

As you realize savings from their help, let them know how their efforts helped the family budget. While you are getting your family financially fit, you are also teaching your children life skills they will need as they become independent adults.

And be sure you model frugal behavior for them. This is not the time to sneak a Starbucks to make yourself feel better. As I have said over and over again--but will say again because it is so important--our children will not listen to what we say, but they will see what we do. Our actions will always speak louder than our words.

Susan Beacham, is CEO of Money Savvy Generation. Susan is an award-winning education entrepreneur and nationally recognized kids and money expert. Follow Susan's advice on her blog at www.susanbeacham.com.