

MONEY SMART FOR A HEAD START

When You Need Money

Finding time in your day to plan and budget your money can be tough. There are always busy schedules and family demands. On top of that, having more bills than money can really add to feelings of financial stress.



Studies show that around 60% of all households have a large, unexpected expense during the year. Paying for a large expense is even more challenging when your income changes from month to month. Saving money when your income is up can help to cushion your budget when your income goes down.

But what do you do when you have a big, unexpected expense and no cushion set aside?

Sometimes it's a matter of increasing your income, decreasing your spending, or doing some of each. When you find yourself short on money, it can also be helpful to think about what caused the shortfall:

- A onetime big bill?
- An increase in monthly living expenses?
- A decrease in income?

Knowing what led to the shortfall can help you match the options that are right for your situation—in the short run and the long run.

Bringing in More Money Quickly

Who couldn't use a little extra cash? Some options are better for a quick, one-time source of funds to cover a big bill or get caught up, while others will take more time and planning. Here are some ideas to think about:

- Sell items—have a garage sale or sell online.
- Use your talents and tools to do jobs for neighbors and others: housekeeping, yard work, car maintenance, pet sitting, etc. If you have your own car, you could provide rides through ride sharing apps like Uber and Lyft. Be sure to save enough of the money you make to pay your taxes because they won't be deducted like they are with regular jobs.

- Get a roommate if you own your home and have the space, or if your landlord allows more tenants. Of course, you'll want someone you trust and get along with.
- Saving for retirement or college? Cut back on your contributions just until you get caught up.
- Ask for extra hours at your current job. If there is no extra work right now, your boss will know you're interested in the future.
- Change tax withholding from your paycheck, especially if you get a big tax refund at the end of the year. The videos that you'll find under Records, Retirement, and Taxes at this site can help you figure out how best to fill out your W4 form depending on your tax filing status: <https://finances.extension.wisc.edu/programs/financial-wellness-at-work/>.
- Claim tax credits during tax time. Even if you don't earn enough to owe taxes, you could still get extra money back by filing for tax credits, like the Earned Income Tax Credit or Homestead Credit.



Boosting Your Income in the Long Run

Can you build your skills or develop new ones?

Workforce Development Programs provide training for new, high-demand jobs. Programs are offered through technical colleges and universities, unions, and other types of apprenticeship programs. To find workforce development programs in Wisconsin, check with your local Job Center:

<https://jobcenterofwisconsin.com/>.

Have you thought about starting your own business?

It takes an average of 3–5 years to earn a profit on a new business. Some people start a business as a part-time job to boost their current work income even though it can be challenging to juggle multiple jobs and demands. Check out this site for steps to start your own business in Wisconsin:

<https://onestop.wi.gov/OpenMyBusiness>.

References

- <https://www.apa.org/pubs/reports/stress-in-america/2014>

Want to Learn More?

- Visit our website for more financial education resources. <https://finances.extension.wisc.edu>
- Contact your local Extension Educator: <https://counties.extension.wisc.edu>
- For help with balancing your monthly spending plan, contact the nonprofit National Foundation for Credit Counseling (NFCC) at <https://www.nfcc.org> or 800.388.2227.

Lowering Expenses

If you have a big bill, call the creditor and find out if you can make small monthly payments. If yes, this will lower the hit to your monthly expenses.

Then look at other monthly expenses you may have control over:

- Cancel cable or streaming services, along with other subscriptions that you don't use.
- Get creative in the kitchen—use up those canned goods and dried beans in the cabinet.
- Track your spending and look for other areas where you can cut back, even if just for a little time.

If you've had a drop in income, you may be able to get public benefits to help pay for groceries, heating, or school lunches. Call 211 to find out what you qualify for or visit these sites:

<https://www.dhs.wisconsin.gov/forwardhealth/index.htm>; <https://access.wisconsin.gov/>.

To \$um it up

-  Some options for boosting income are better for one-time bills and other options can help with regular monthly shortfalls.
-  Check into ways to increase your income.
-  Borrowing now means you'll have less money later.
-  Track your spending so you can find places to cut back and free up money in your spending plan to cover other expenses.