



Emergency Financial Planning

Mounting debt is perhaps one of the most trapping situations and greatest deterrents to getting ahead financially in today's world. If you, like many other people in America, find yourself encumbered with too many bills and feel like you are drowning in them, what can be done?

First of all, don't run away or try to hide from your creditors. Make a list of everyone you owe, how much, and the monthly payment and date each bill is due. Contact your creditors if you can't make your payment on time. Sometimes you can negotiate lower payments by refinancing an existing loan. However, do not add another loan amount to it! A refinanced loan may take a little longer to pay off, but will give you more "breathing room" meantime. Experts warn against consolidating smaller bills into one giant one because it will take you much longer to pay off this type of loan. In any emergency financial situation, it is wise to consult with an expert.

- One of the best ways to get out of debt is to stop using credit cards. Then pay them off as soon as possible. They are beneficial should you need to rent a car or encounter an extreme and rare emergency; otherwise avoid using them at all costs.
- Always pay your home mortgage bill before it lapses into 30 days past due.

If you get behind 30 days or more on even one payment to your mortgage company, it triggers a black mark on your credit report that may jeopardize obtaining a loan on future home purchases.

Other money-saving tips:

- Shop grocery sales (buy one; get one free) and stock up on your favorite items.
- Eat basic wholesome foods; avoid prepared boxed mixes.
- Prepare menus in advance and shop from your list
- Don't buy furniture, clothes, etc. on credit. Shop at second-hand stores, flea markets, garage sales, and swap meets. You will be surprised at the great deals you can land for a fraction of the price you would spend on new items.
- Attend "dollar movies" or rent videos, instead of paying full price for a theater ticket.
- Rotate your food storage. It is recommended to store what you eat and eat what you store. This is a great way to save money and rotate your food storage.
- Perhaps you can brainstorm with your spouse or family members on additional ways to save money.
- Financial preparedness is an essential part of any preparedness plan. Once your finances are in order, other areas of preparedness will fall into place.