

Meeting Increased Expenses

Adding children to your household increases your expenses. What if you run out of money before all the expenses are paid? Unexpected expenses or an emergency can cause you to have more expenses than income. It will be necessary to either reduce expenses or increase income. The Smart Spending Habits below has tips on ways to cut costs. Your family may also need to seek additional resources. Some resources for grandparents raising grandchildren are listed in this handout.

Smart Spending Habits



1. **Find the best buy.** Look in several places – a catalog, newspapers, two or three stores, perhaps including a secondhand store, and garage sales. Spend time looking before you spend your money.
2. **Use wisely.** Make the things you buy last longer by taking proper care of them. See if you can find ways to make the clothes you buy wear longer and the food you buy keep from spoiling.



3. **Substitute.** When you go to buy something, ask yourself if a lower-priced item will do the job just as well. Use store brands and generics instead of name brands. Rent a video or DVD instead of taking the family to the movies.
4. **Share it.** Stretch resources by sharing with neighbors and friends. Chip in to buy larger amounts at lower unit prices (for example, a bushel of apples shared with four families); join car pools.
5. **Find it free.** There are some items that are available for free. Use public parks and playgrounds instead of expensive health clubs for exercise. Borrow books, records and videotapes from the library rather than buying them.
6. **Rent or borrow it.** When you need something for a short time, it could be cheaper to rent it than to buy it. Rented or borrowed items must be returned in good condition.
7. **Trade or swap.** Do you have things in your home that you no longer use? Can you trade them for things you need? Do you have talents or skills you could trade with your neighbors – can you trade time baby-sitting in exchange for help with home repairs?
8. **Make it.** Sometimes it's cheaper to make something than to buy it, but it means you must use your time and skills. Make sure the cost of materials is cheaper than buying the finished product.

9. **Watch “phantom” money.** Keep track of the money in your wallet. Cut back or cut out spending on snacks, phone calls, movies, magazines, eating out, record/book/DVD clubs. Stick to your shopping list and avoid impulse buys.

You can use the *Expense Recordbook*, MP306, to track phantom spending.

10. **Don't buy it.** Ask yourself if you really need this item or if there's something you want even more. Learn to say no to yourself, to your children, to salespeople and to things you feel pressured into buying. Doing without one item can help you get something else you want more. Don't go shopping just for fun.

These ten tips on ways to change your spending habits are also located in the fact sheet *Shape Up Your Spending*, FSHEC42.

Seek Additional Resources

Community support may be in the form of information, programs or services. These resources can help you during a financial transition. In addition to the statewide resources listed, your local human service agencies may be able to help you.

Food and Nutrition Resources

Food Stamp Program – This U.S. Department of Agriculture program furnishes a food stamp benefit in the form of a debit card to eligible participants. The benefit is used like money to purchase most kinds of food. Apply through your local Food Stamp Office operated by your county's DHS. Call ahead to make an appointment and to find out what information to bring to your first interview.

Special Supplemental Program for Women-Infants-Children (WIC) – Participants receive vouchers every month that enable them to purchase infant formulas, dairy products, cereals and juice. If you are caring for children under age 5, you may be eligible. Apply through your local county health department.

School Meal Program – This program offers free or reduced-price breakfasts and lunches to eligible children. Apply through your local school.

Commodity Food Distribution – This statewide program distributes surplus cheese, butter, dry milk, etc., periodically to eligible persons. Inquire through your local community action agency or call 1-800-467-3663.

Local Food Pantry – A two- to three-day supply of food (donated from individuals and businesses) is distributed free to eligible people periodically through local food pantries/banks. Emergency distribution is also available in some cases. Call your local community action agency or the county's Department of Human Services to find the food bank nearest you.

Housing Resources

Home Energy Assistance Program (HEAP) – This federally sponsored program provides short-term help with utility costs based on household size and gross income. Check with the community action agency or public utility serving your county or call 1-501-682-8726.

Weatherization Assistance Program – This program installs energy conservation materials and appliances in the homes of 1,300 low-income families annually to lower utility bills. Materials generally installed include insulation; duct sealing, weather-stripping and caulking doors and windows, replacement of broken windows and health and safety measures that are required prior to weatherization. Call 1-501-682-8722.

Supplemental Security Income – This program provides a basic income for eligible people if they are 65 or older, blind, disabled or retarded. The Social Security Administration (SSA) manages this general assistance program. The program is not related to whether you receive social security.

Legal Resources

Legal Services – Eligible low-income persons can get assistance related to civil cases such as custody, visitation or guardianships. Offices are located throughout the state. The toll-free help line is 1-800-952-9243.

Find a Lawyer – The Arkansas Bar Association has a web-based service called “Find A Lawyer” to help you locate an attorney. Go to the Arkansas Bar web site <http://www.arkbar.com> and click on “Find A Lawyer.” You can search by specialty, such as child custody or general practice, as well as by city and county. Be organized with your facts and records when you make appointments with lawyers to keep your costs down.

Medical Resources

Health Insurance – ARKids First provides health insurance to children who otherwise might not get medical care. The program offers two coverage options. ARKids A offers low-income children a comprehensive benefits package. ARKids B provides limited coverage for slightly higher income families. ARKids B requires a small co-pay for most services. Call 888-474-8275 (English) or 800-482-8988 (Spanish).

Health Departments – Health departments are available in all counties. They provide a variety of services free or at reduced cost depending on ability to pay. These services include such things as medical examinations, immunizations, well-baby care and other programs. Services of health departments in Arkansas are available to anyone, regardless of income level.

Reference

Adapted from Extension’s *Navigating the Financial Journey* curriculum by Laura Connerly, Instructor - Family Resource Management, and *Living Resourcefully With Reduced Income*, FSHEC 132, by Judith R. Urich, Ph.D., CFP™; retired Family Resource Management Specialist.

Money Smart, Federal Deposit Insurance Corporation.

Money & You, Arkansas, Louisiana, and Mississippi Cooperative Extension Programs.

Shape Up Your Spending, FSHEC42, University of Arkansas Division of Agriculture Cooperative Extension Service.

The Spending Plan Workbook, HE32, University of Arkansas Division of Agriculture Cooperative Extension Service, Lynn Russell.

University of Arkansas, United States Department of Agriculture and County Governments Cooperating

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