



Disaster Recovery



Managing on a Suddenly Reduced Income

Louisiana families impacted by disaster often experience a sudden reduction in income that can be financially and emotionally traumatic. Reduce this hardship by taking positive action.

Examine Family Resources

- Check your current financial position by identifying your income, savings and skills. Can any be turned into cash, or used to cut costs, earn money, or be traded for goods and services?
- Consider applying for disaster assistance from FEMA (1-800-621-FEMA or www.fema.gov) or Emergency Food Stamps.
- Contact your insurance company to find out if funds are available for emergency living expenses.
- You may need to use emergency savings or take out a loan from a bank or credit union, family or friends.

Control Spending

- Identify critical needs (food, shelter, transportation, essential clothing). Say no to “extras.”
- Develop a spending plan that your family can follow.
- Divide expenses into fixed and flexible categories. Determine the amount available for fixed expenses first. Fixed expenses include: mortgage or rent

payments, installment credit and medical and life insurance premiums.

- Flexible expenses such as food, utilities, clothing, household expenses and fun can be more easily adjusted.
- Agree to discuss purchases over a certain amount with other family members before buying.
- Small expenses add up. Watch every cent.
- Make a shopping list and stick to it.
- Find the best buy. Buy specials. Use coupons. Shop at discount stores, thrift stores, or garage sales.
- Rent or borrow things that you will only need for a short time.
- Make it if you have the time and skills
- Substitute low priced items for costly ones
- Share. Stretch resources by sharing with friends. Share rides, babysitting or home repairs.
- Avoid using credit for day to day expenses.
- Use wisely. Make your things last longer.
- Use community resources. Check parks, libraries, and food pantries and clothes closets.
- Maintain insurance coverage. Ill-effects of stress may increase your need for health care.
- Take care of yourself. Postponing essential medical and dental care may prove costly in the long run. Health care

providers may be willing to negotiate costs if you ask in advance.

Maintain Debt Payments

- Don't stop regular payments on consumer debt. Your mortgage is likely your largest and most important payment. If it is unmanageable, contact your lender immediately to arrange a repayment plan. Try to make an appointment and talk personally to the person in charge.
- Contact other lenders to see if disaster payment plans are available.
- You may need to refinance a loan, contracting for smaller payments over a longer time.
- Avoid high cost predatory lenders.
- Consider bankruptcy only as a last resort. It stays on your credit history for 10 years and impacts your credit score.

Set payment priorities

- If you can pay some bills but not all; pay those bills that:
 - Maintain vital services (utilities, phone, transportation, insurance)
 - Have the highest interest rate
 - Cost the most to postpone (late penalty, repossession or disconnect/reconnect charges)
 - May be aggressively collected

Control Stress

- Be extra patient with yourself and others
- Share your grief with a caring friend, family member or minister
- Don't expect things to return to normal quickly

- Eat healthy foods, rest, and relax when possible.
- Focus on the big picture rather than the details
- Ask for help when needed.
- Help others when possible. It will make both of you feel better.
- Think positively.
- Don't resort to bad habits.

Check out resources and assistance programs

Many federal state and local resources provide information or assistance to those coping with reduced income after a disaster. Check out these sources:

- LSU AgCenter
- FEMA
- Department of Social Services
- Department of Labor
- Red Cross
- Churches
- Salvation Army
- United Way

When you are back on your feet

Resist the urge to overspend to "catch up" on all of the things you have put off buying and doing.

Repay debts that you may have incurred during times of hardship.

Build an emergency fund for trying challenging times.

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