

Ways to Cope When Struggling Financially

At some time or another we'll all face some kind of Financial Crisis. Often this can be quite unexpected. Here are some ideas on how to survive and offset the chances of losing control of your finances. ***Let's learn how to become Financially Resilient!***

Don't panic but plan

- You are not alone! People experience financial crises in their lives and have bounced back. Many successful business owners have begun this way. ***Learn from your mistakes and you will grow stronger after the crisis.*** And don't forget to call out for help. Learn how family and friends have survived their hard times.
- Act early to avoid smaller problems becoming serious debts.
- ***What are the reasons why you are struggling?*** Pin down your main issues and tackle them one by one. Let's look at some examples.

Have a budget and track your expenses like a hawk!

- Are you sometimes a big spender? Holidays for example, can be times when we forget our limits. You can use our **free Household Budget and Expense Tracking files** to help you to curb your expenses. Also read our article on our website about ***how to save money.***
- Look at those areas of your spending pattern that you have control over. Changing your approach to eating out and purchases can even in the short term reap savings to help lower debt. ***For any area of debt you feel you have lost control over, seek some outside help.***

Debt solutions

- ***Consolidate debt.*** If you have multiple credit cards consider consolidating them into one Credit Card Account and try your best to pay it down.
- If you are a home owner, see whether it is possible if the bank will allow you tap into your equity and top up your loan.
- ***Prioritise your debt.*** Which debt do you need to gain control the most? Prioritise the debts that charge the highest interest rate, overdue penalty rates and admin fees.

Try to gain more income

- If possible, rent out part of your house. ***Renting one room out can earn you around \$100 to \$150 a week, which is \$5000 to \$7500 a year.*** In some areas you can rent out a garage or parking spot and get a sizable income too. ***Be aware of any Council and Strata laws restricting these practices.***
- Rent out your car. Depending on the condition, you can earn up to \$800 per month. Be mindful of Insurance implications.

- If you have a good relationship with your employer, talk to your boss to see whether you can achieve a pay rise or an advance pay in relationship to your work performance.
- Sell some of your possessions. *The old fashioned garage sale isn't very popular today.* But you can still sell second hand clothes or unused items on websites such as Ebay and Gumtree.
- If you can be flexible with your time consider getting a second job or working from home.

For budget and expense tracking tools, visit our website www.impacttfs.com.au

Declaration: We hope this information and these files will be useful to you. *Remember, this article has been prepared without specific knowledge of your financial situation. Before making financial decisions or plans be sure to consult with an Accountant or a Financial Advisor.*