

Success and the Single Parent: The Money Crunch¹

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Overview

One of the toughest things about being a single parent is finding ways to make ends meet. Financial success comes not only with earning money, but also with making good use of the money once you earn it.

Learning as much as you can about how to manage your money will help relieve some of the financial worries you might have. You will also have a greater sense of control over your

family situation. The good news is that there are steps you can learn to follow. Although sometimes they are challenging and time-consuming, these steps have stood the test of time. If you follow them you will have greater financial success.

Step# 1. Set Goals

To do this first step, it's best to have some quiet time to think and plan. If possible, get up a little earlier than usual. This is an ideal time for thinking without interruptions. When you have some "hush" time to yourself, your mind is clear. You will be in a better position to think about your family's future. During this time, become aware of what you really want to have for yourself and your children. Don't think just about today, think about the situation you want to create for tomorrow. Ask yourself questions like:

- "Do I want my family to live more comfortably?"
- "Do I want a better car?"
- "Will a job with more flexible hours help my family situation?"

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- "Will paying all my bills when they're due reduce my stress level?"

In order to get what you want, you need to set goals. (If you don't know what you want, how can anyone help you? How can you know when you've arrived?) Having goals gives you something to work toward. What you visualize you can realize. Be sure to set both short-term and long-term goals. Some short-term goals:

- redecorating a child's bedroom,
- buying a new toaster oven, or
- taking a short family trip.

Long-term goals take more planning and have a bigger impact. Some long-term goals could include:

- buying a better car,
- saving for a down payment on a house, or
- going back to school.

It's easier to reach your goal if you stay focused on one or--at the most--two goals at a time. Working toward many goals at the very same time is frustrating. By reaching for so much, you may not reach any goal--and have to start all over. (*See Activity I*)

Next, evaluate your current financial position. This can be done by completing steps 2, 3, and 4.

Step# 2. Evaluate Your Finances

To develop good spending habits, you need to know what all of your expenses include. You need to know where you stand. This can be done by looking at what you have and what you owe. Figure these on a monthly basis.

Let's start out with **FIXED EXPENSES**. What are they?

- Mortgage payment or rent..... \$ _____
- Installment payments (e.g., car, furniture etc.)..... \$ _____
- Medical, dental, car insurance premiums..... \$ _____
- Child Care..... \$ _____
- Savings (Do not overlook savings as a fixed expense. Even \$5 or \$10 a month would be a good start. This will help you handle emergencies more easily.)..... \$ _____
- Other..... \$ _____

Next, list **PERIODIC EXPENSES** (if these are annual payments, divide by 12 to get your monthly expenses). Be sure to put this money aside.

- Auto registration..... \$ _____
- Major repairs and maintenance (auto and home)..... \$ _____
- Miscellaneous (e.g., clothing)..... \$ _____

Finally, list **FLEXIBLE EXPENSES** (These are expenses that vary from week to week. When you are squeezed financially, you can cut back or even cut some out).

- Food (at home and away from home)..... \$ _____
- Utilities (electric, water, phone, cable etc.) \$ _____
- Personal expenses (gifts, personal care and entertainment)..... \$ _____

- Plan your meals for the week. A plan can save you meal preparation time and money.
- Before you go to the store, check supplies on hand and list items you need to buy.
- Clip and save coupons for products you use a lot, but compare costs with non-coupon brands before buying. Sometimes even with the coupon the item costs more.
- Buy fruits and vegetables when they are in season.
- Coordinate errands.
- Eat more meals at home.
- "Brown bag it" at work, school, or trips with your children.
- Use a car pool and share rides.
- Walk or ride a bike whenever possible.
- Watch for store sales, garage sales, and stores that recycle clothes at reasonable cost.
- Plan a neighborhood garage sale and get rid of unneeded items.
- Keep clothes clean and in good repair. Remove stains promptly.
- Turn off all major energy-consuming appliances before leaving home--but not the refrigerator.
- Check to see if you qualify for subsidized housing.
- Join or form a baby-sitting co-op or a food co-op.
- Take advantage of entertainment provided by the community: Visit community parks, museums, and libraries that are free.

- Check on free or low-cost health, dental, or counseling services.

- Can you think of other ways you can cut costs? Jot them down. (*See Activity III*)

- _____
- _____
- _____
- _____
- _____
- _____

What's Next?

Once you understand the basics of managing your money, you will feel better about yourself because you will be in control. If you still need further assistance in handling your money situation, [National Foundation for Credit Counseling](http://www.nfcc.org/) can help. Their national telephone number is 1-800-388-2227 and you can visit their website at: <http://www.nfcc.org/>

Your county Cooperative Extension Service can also provide you with more detailed information on managing your finances. There are many publications and packaged programs that are available to you on specific financial topics.

Maybe you are now interested in finding out more about other financial tasks. Whether it's looking into insurance coverage for yourself and family members, retirement and pension plans, college plans, tax benefits, etc. There are lots of resources that can help you. If the Cooperative Extension office doesn't have the information you need, someone there will help you find the necessary resources. Contact your local Cooperative Extension office for educational assistance.

Reference List

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- Torres, Nayda I., and Vervil Mitchell. 1987a. Making Financial Plans Together. Fla. Coop. Exten. Serv., IFAS, Univ. Fla., Gainesville. FCS 7010.
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Activity I

My Goal Sheet

Short-Term Goals: These are goals that I have for the present time.

In the spaces provided, I'm listing the specific goals I want to set.

1.

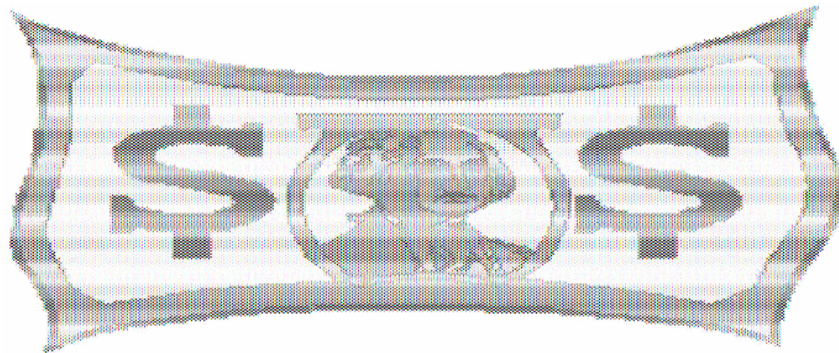
2.

Long-Term Goals: These goals require that I take several steps—or more—in order to achieve them.

In the spaces provided, I'm listing the specific goals I want to set.

1.

2.

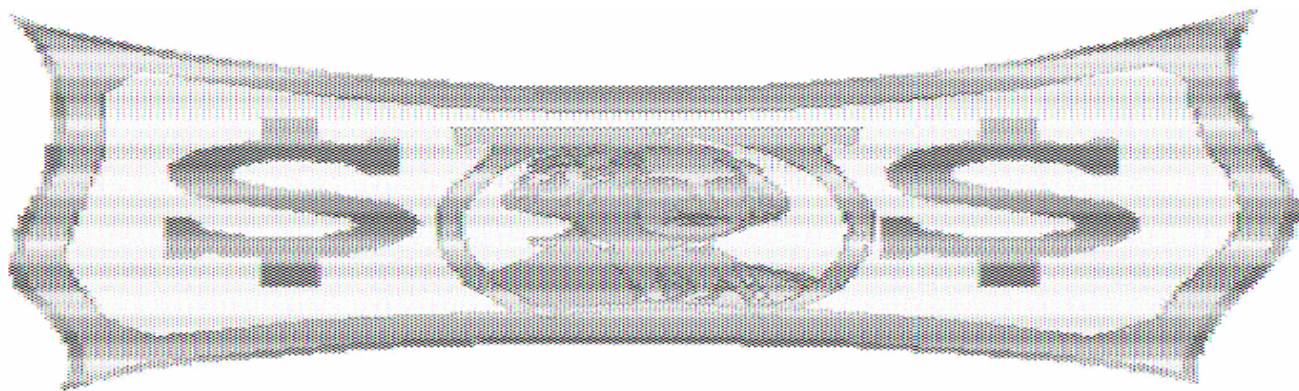


Post me!

Activity III, first month My personal list of money-stretchers.

Each time I use a money-stretcher this month, _____, I check off the CIRCLE and pat myself on the back for a job well done!

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____
- 11. _____
- 12. _____
- 13. _____
- 14. _____
- 15. _____
- 16. _____
- 17. _____



Post me!

Activity III, second month

My personal list of money-stretchers.

Each time I use a money-stretcher this month, _____, I check off the CIRCLE and pat myself on the back for a job well-done.

1. _____
2. _____
3. _____
4. _____
5. _____
6. _____
7. _____
8. _____
9. _____
10. _____
11. _____
12. _____
13. _____
14. _____

