

Consumer and Family Sciences

Department of Consumer Sciences & Retailing



When Your Income Drops: Fact Sheet 9

Sharpen Your Survival Skills

A drop or loss of income forces a change in spending priorities. When you're forced to think about it, you discover that some goods and services are more vital for survival than others.

The publications in this series were adapted by Purdue Extension specialists based on subject matter from a publication by Carol S. Kramer, Extension specialist, consumer economics, Kansas State University, Manhattan, Kansas.

Many families can minimize the undesirable effects of a cut in income by following a few basic survival principles. With a positive attitude, learning and following good management practices can be a source of satisfaction. Many persons realize, after learning to manage their resources differently, that their situation is not as bad as it seems. Their income is less than before, but the “slack” in their financial system has been reduced and they are doing more with what they have.

Economize

Economizing refers to allocating your personal and family resources where they do the most good, either by increasing your family's well-being or, in a time of recession, by minimizing economic hardship.

To economize does not necessarily mean to buy less of an item — it might even imply purchasing more. For example, if you determine that home baking or cooking or any other activity would pay for itself by either saving resources or producing income, then increasing expenditures for needed supplies may be in order.

As another example, if you believe a successful job search requires suitable clothing or a skill you do not have, spending to achieve these may be the most productive use of your limited resources. Keep in mind, though, you must decrease spending more than equivalently in other areas if your income has dropped.

Remember the economizing principle: *Use your resources so they do the most good* in terms of meeting your needs and wants in the short- and longer-term. Part of your resources will be used to buy goods and services you use or consume. Another part of your resources you will want to invest for the future. You might invest in ways to save or earn money by producing services, or you might invest in yourself — in job training, a wardrobe, or changing location.

Economizing can be achieved in a number of ways: substituting less costly for more costly resources; finding new uses for resources you already have; conserving resources through wise use; cooperating with others to stretch resources; and taking advantage of community resources.

Substitute. Substitute less costly resources for more costly ones. If you have some time and talent that you could substitute for purchased time and talent, do it! Walk — don't drive — to the neighborhood store. Eat at home rather than out. Cook from basics rather than microwave or “instant” dinners. Rent costly equipment you seldom use. Examples abound, but the most important key to success is developing a habit of mind. Think, “What could I substitute that would do the job for less?”

Conserve. Conserve your resources. Avoid waste. Keep your family healthy and your skills

and your possessions in good condition. Try to get the most use or satisfaction out of each trip in the car, each use of the stove, each load in the washing machine, each dollar already spent on clothing. Think “How can I make this resource last? How can I use it more efficiently?”

Exploit. Find new uses for resources you already have. Could you rent a room to help pay the rent and provide some company? How about

renting part of your yard for a garden plot? For parking? If you’re driving to work, could you carpool and leave your car at home every other day? If you bake or sew or tend your own small children or clean your own house, could you expand these into income-producing activities? Think to yourself, “What talents, time, or other resources do we have as a family that could be put to use in a new, more productive manner?”

Cooperate. Resources can be multiplied when you cooperate with others. Food co-ops, housing co-ops, babysitting co-ops, car pools — many forms of co-ops, either formal or informal, can help you and others economize in your use of resources. They operate from a common principle — to provide

members goods or services at cost or to help members market their products themselves.

Usually members of a cooperative provide some of the organization’s labor requirement. Parents might take their children to a cooperative preschool five days per week, for example. Depending on the co-op’s rules, a parent might be required to work or pay for another person to work at the school one day every other week.

Organizing a cooperative to provide necessary goods and services may help members stretch their resources. When considering a co-op of any kind, be sure you understand the operating rules and are confident of the manner in which it is run. Think, “How could I share time or talent with others to stretch our resources?”

Find new uses for resources you already have. Could you rent a room to help pay the rent and to provide some company? How about renting part of your yard for a garden plot? For parking?

Use community resources

Only a part of the resources you value and use are privately owned. A large share could be called public or community resources. Some of the economic resources provided by publicly financed programs were discussed earlier. These include unemployment insurance, food stamps, or income maintenance programs that citizens or businesses pay for with taxes.

Other community resources provide entertainment or recreation. These include parks, wildlife areas, museums, and libraries. Don’t forget that you and your family need to take some time for fun, too. Get together with friends for a picnic, potluck, card games, fishing, or whatever you enjoy. Take advantage of low-cost classes and recreation programs in your community. Many communities offer free or low-cost health or counseling services ranging from inoculations to family planning to psychological counseling. Personal or family resources can be greatly enhanced through use of community resources. Think, “How can we use and support public services for family welfare, education, health, and recreation?”

Suggested resource

“Making Your Money Work” workbook, CFS-679. Purdue University Cooperative Extension Service, West Lafayette, IN. 1998.

Economize when your income drops

Check the “survival skills” that can make the most of your resources

Food

Substitute

- Substitute lower cost ingredients to meet nutritional goals, family tastes.

Compare:

- cost per serving
- cost per unit — ounce, quart, etc.
- brands.

- Buy produce in season.
- Use specials and coupons.
- Buy generic brands when suitable.

Conserve

- Wrap food carefully.
- Store foods promptly.
- Use foods while fresh.
- Plan use of leftovers.
- Use old food first.
- Don't overeat!

Use your resources

- Plant a garden.
- Can and freeze produce.
- Entertain at home.
- “Brown bag it” at work.
- Recycle containers.

Cooperate

- Form or join a food co-op.
- Have a potluck dinner.
- Plant a community garden.
- Purchase or rent food preservation equipment in groups.
- Work together.

Community resources

- Use picnic facilities, parks.
- Use Purdue Extension resources on gardening, nutrition, food preservation, and financial management.
- Use the food voucher program if you qualify.
- Use the Women, Infant and Children (WIC) nutrition program if you qualify.

Transportation

Substitute

Substitute less costly transportation whenever possible:

- Walk instead of ride if you have time.
- Use a bike instead of a car.
- Take a bus instead of a plane.
- Substitute self-service for full-service stations.
- Substitute maintenance for a new car.

Conserve

- Follow your car owner's manual.
- Repair and maintain your car.
- Protect your car against salt and rust by keeping it clean, undercoating.
- Save on fuel with good driving habits.
- Make sure your car has antifreeze in winter.
- Plan trips to make the best use of your transport dollar.
- Drop collision insurance if your car's value has dropped sufficiently.

Use your resources

- Change oil, oil filter, antifreeze yourself.
- Pump your own gas.
- Wash your car yourself.
- Walk, bike.

Cooperate

- Carpool, share rides.
- Walk or bike with a friend.
- Trade skills to repair or maintain cars, bicycles.

Community resources

- Take advantage of auto repair classes in your community.
- Have family members use school and public transportation whenever possible.
- Support enforcement of laws against drunk driving, reckless driving.
- Walk whenever you can.

Housing

Substitute

- Looking for housing? Shop for best overall deal, best financing terms.
- Consider location, taxes, cost of operation.
- Furnishings and appliances: Shop sales, yard sales, rent or share equipment or services used infrequently.
- Study energy savings. Price improvements. Temporary measures such as placing plastic over windows can be as energy efficient as more costly measures.

Conserve

- Maintain your house. Make minor repairs so they don't become major ones.
- Wash walls this year instead of repainting.
- Conserve energy: Insulate, use weather stripping, storm windows, or plastic over windows.
- Keep doors and windows closed to keep heat in during the winter, out in the summer.
- Use fans rather than air conditioning.
- Reupholster, refinish furniture.

Use your resources

- Do simple home repairs yourself.
- Rent out a room, garden, or parking space for income.
- Use your home as an office, take advantage of tax measures.

Cooperate

- Share housing in times of economic hardship.
- Trade skills with others to keep both your homes well repaired.
- Cooperate with others to "raise a barn," paint the house, get into the garden.
- Have family members cooperate to get household tasks done.
- Hold a neighborhood garage sale to raise money, get rid of unneeded items.

Community resources

- Use Purdue Extension resources to help you select and maintain your home, furnishings, and appliances.
- Contact your electrical or gas utility for an energy audit.
- Check and see if you qualify for subsidized housing if you're having trouble making ends meet.

Clothing

Substitute

- Substitute carefully planned purchases for impulsive ones. Consider versatility, durability, care requirements, and quality.
- Dress up or modify an outfit you already own.
- Buy clothing on sale, check discount stores, factory outlets.
- Use yard sales for clothing, especially children's clothing, maternity clothing.
- Sew clothing at home.

Conserve

- Keep clothes clean and in good repair. Remove stains promptly.
- Follow care instructions.
- Store clothes properly to protect from sun, moths, mildew, stretching, etc.
- Protect shoes, leather items from water and salt stains.
- Consider care costs before purchase.
- Find new ways to use old clothes.
- Wear "work" clothes for dirty jobs.

Use your resources

- Learn to sew at home.
- Learn to refurbish and maintain clothes.
- Find or make the accessory, hemline, or coordinate that rejuvenates an existing outfit.

Cooperate

- Share or trade sewing skills with family members, others in the community.
- Swap outgrown children's clothes and maternity clothes with neighbors or sell at a secondhand store.
- Do the same with shoes, ice skates, sports equipment, baby accessories.
- Share clothes if two can agree on care.

Community resources

- Use the public library to learn about fashion, clothes selection.
- Use Purdue Extension as a resource for care of your clothing.
- Shop at stores or centers that recycle clothes at reasonable cost — churches, Junior League, secondhand stores.

The publications in this series

- 1) Don't Panic – Take Control (CFS-704-1-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-1-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-1-W.pdf)
- 2) Control Stress (CFS-704-2-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-2-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-2-W.pdf)
- 3) Take Stock of Family Resources
(CFS-704-3-W) [www.ces.purdue.edu/
extmedia/CFS/CFS-704-3-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-3-W.pdf)
- 4) Take Stock of Community Resources
(CFS-704-4-W) [www.ces.purdue.edu/
extmedia/CFS/CFS-704-4-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-4-W.pdf)
- 5) Set Priorities for Spending (CFS-704-5-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-5-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-5-W.pdf)
- 6) Plan to Pay Creditors and Protect Family
Welfare (CFS-704-6-W) [www.ces.purdue.edu/
extmedia/CFS/CFS-704-6-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-6-W.pdf)
- 7) Keep a Roof Overhead (CFS-704-7-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-7-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-7-W.pdf)
- 8) Meeting Insurance Needs (CFS-704-8-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-8-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-8-W.pdf)
- 9) Sharpen Your Survival Skills (CFS-704-9-W)
[www.ces.purdue.edu/extmedia/CFS/
CFS-704-9-W.pdf](http://www.ces.purdue.edu/extmedia/CFS/CFS-704-9-W.pdf)

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Revised 01/08

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