



University of Minnesota Extension provides resource to assist in income reductions

Grand Rapids, Minn. (5/08/2015) — Layoffs, whether temporary or permanent have been making news across Minnesota recently. Families are preparing to experience potentially difficult financial situations. The University of Minnesota Extension is highlighting resources to assist families as they move through the difficulties of suddenly reduced income and layoffs. Lori Hendrickson, Extension Educator in the Extension Center for Family Development states, “Often as families experience lay offs and reduced income, they don’t make a plan for how to reduce expenses to meet the income level.” Research has shown that many people don’t adapt their spending until approximately six months following the reduction in income.

Hendrickson indicates people who more quickly change their spending or consider different options are usually more satisfied with the adjustments they need to make. She states that by making a plan for the reduced income, prioritizing the expenses that are most necessary and reducing expenses in flexible spending can help families to get through difficult times without accumulating additional debt or harming their future access to credit.

According to Hendrickson, “It is important that if you will be unable to pay your bills, contact the creditors and make a plan for repayment that is acceptable to the creditor and manageable for you.”

For more information about dealing with reduced income, the University of Minnesota Extension provides the publication, *Adjusting to a Suddenly Reduced Income*
<http://www.extension.umn.edu/family/personal-finance/spending-and-saving/docs/adjusting-to-suddenly-reduced-income.pdf>

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