

*What if some of us are in this situation?.....*

## **Paying Bills: What Comes First?**

**Q:**

My spouse lost his/her job and I need to make payments on all my bills--but I can't. What should be paid, what can I push off, and is there anything I can do to get my creditors to give me more time?

**A:**

When you're going through a difficult time, it's important to prioritize. While your spouse is out looking for a job, here's what you need to make sure you're paying.

Once you've paid for basic food and necessary medical expenses, your **first priority is the roof** over your head. Not paying rent, mortgage, homeowners insurance or property tax could mean you'll soon be without that roof. Condo fees also need to be paid. If you're finding your housing payment unmanageable for the time being, consider trading down or moving in with family temporarily.

The next priority is **utilities**. You don't want these to be shut off, especially if you have children in the house. Of course, you can always conserve by being careful to shut off lights and turning down the heat/air conditioning as much as possible. If you've fallen behind on utility bills, call the company, explain the situation, and come up with a payment plan you can stick to.

Next is your **car and auto insurance**. If you need your car to **get to work**, this might be even more important than your housing, so take that into consideration.

Child support, student loans, and taxes also need to be paid. After that, most debt is low priority. That doesn't mean you don't have to pay it, but the consequences of not doing so are not as bad as defaulting on your mortgage. Take the initiative to call your creditors, explain the situation, show that you're serious about repaying them, but are currently going through a rough patch.

**And don't forget your credit union.** Talk to us about your situation. We may be able to help you reduce or eliminate unnecessary payments and develop some short-term ways to provide budgetary relief so you can better fulfill your financial commitments.



### **Quote**

**“Contentment makes poor men rich;discontentment makes rich men poor.”**

*: Benjamin Franklin*