

NC STATE UNIVERSITY



Winter 2010

EXTENSION'S Successful Family

When Bills Exceed Income

In these tough economic times, many individuals and families are finding it difficult to pay bills on time. Without enough money to cover your family's basic living expenses and pay all creditors, you need to make difficult financial decisions. If you find that you are unable to pay all of your bills, you need an organized plan. That plan should begin with a budget to identify current income, whom you owe, how much, and when payment is due. If the bills exceed the income, reorder the budget placing the most important bills first. Give priority to rent or mortgage, utilities, and other items that keep your family safe.

You must decide how much to pay to which creditors. One strategy is to divide available funds and pay each creditor a share of what you owe. This will work only if all creditors agree to reduce the amount they receive and extend the payment period. A second method is to prioritize your creditors to determine who will receive the most money. For more ideas, see "Talking with your creditors" at www.nctakecontrol.com.

Once you have a workable plan, contact the people to whom you owe money — your creditors — and explain your situation. It is in the best interests of the creditors to work with you to adjust your payments, because they want to be repaid. Even though you are legally obligated to pay all of your creditors, many of them will work with you. Remember not to allow creditors to convince you to agree to pay more than you can afford, as this will cause you to default on your agreement.

Here are a few questions to help decide the best plan for your family:

- *What will affect my family's health and security most?* Generally the rent or mortgage, utilities, food, transportation, and medical insurance take top priority. Remember that your current mortgage payment may actually be less than rent for a similar house or apartment.
- *What will I lose if the bills are not paid?* Homes and cars can be used as collateral or security for a loan. It is important to keep current any loan that puts your home or transportation at risk because it is used as collateral. For example, a vehicle might be used to secure a loan to purchase a washer and dryer. To find out if collateral was pledged, call the creditor and ask if it is a secured or unsecured loan, or look at your loan documents for the loan type.
- *What interest rate am I paying?* Credit cards that charge 1.5 percent interest per month result in an 18 percent annual interest rate (annual percentage rate) on unpaid balances. One strategy is to pay off higher rate cards first to realize the greatest savings in interest charges. Another strategy is to pay off the lowest balance account for a quick reduction in debt. Power Pay, an online computer program, can help determine which debt repayment plan will save the most money. Go to <https://powerpay.org>.
- *How much do I owe on the loan?* If you have only three or four payments left on

a loan, consider paying it off. Be sure that you can meet your family's basic needs while managing debt obligations. Here again, Power Pay can help you evaluate options.

- *Is a consolidation loan a good idea?* A consolidation loan trades one kind of debt for another. Be aware that the interest rate on the consolidation loan can be even higher than the original debt. However, a consolidation loan offering equal monthly fixed payments might help you to plan. The biggest potential pitfall of a consolidation loan is the ability to get in even greater debt by using your credit cards again. Then you will have the consolidation loan *and* all the credit card debt to pay again. Think carefully about whether you have the discipline to resist creating new debt.
- *What about my credit record?* Nonpayment of debt is reflected on your credit record and can damage your ability to

(Continued on next page)

Eat your veggies!

Research shows that fruits and vegetables are critical to promoting good health. To get the recommended amount, most people need to increase the amount of fruits and vegetables they eat. To determine how much you need, go to <http://www.fruitsandveggiesmatter.gov/benefits/index.html#>.

As you strive to eat more fruits and vegetables, follow these tips to help save money:*

- Purchase whole fruits and vegetables instead of pre-cut or packaged forms, which tend to be more expensive.
- Consider frozen and canned when fresh is

too expensive. Frozen and canned fruits and vegetables keep longer, too.

- Choose canned fruits packed in water or juice; avoid fruits packed in added sugar. Choose vegetables with low sodium amounts.
- Consider generic or store brands, which tend to cost less and have similar taste and nutrition.
- Purchase larger bags of frozen fruits and vegetables if they are a better bargain and you will use them all.
- Purchase canned or dried beans. When making traditional recipes that call for

meat, use beans instead. Recipes such as chili, soups, and burritos are delicious with beans.

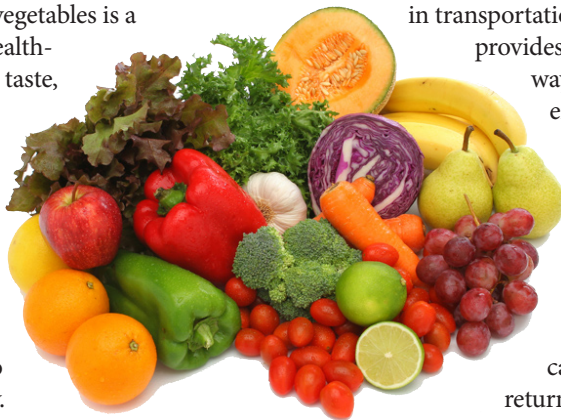
Visit www.fruitsandveggiesmatter.gov for more tips and recipes.

*Source: http://www.fruitsandveggiesmatter.gov/downloads/Get_Smart_Shopping.pdf

Why buy local?

Eating fruits and vegetables is a great way to eat healthfully while adding taste, color, variety, and interest to meals. Purchasing locally grown fruits and vegetables not only contributes to your health, but also contributes to the local economy.

The average meal in the United States travels 1,300 miles before reaching the dinner plate. A head of lettuce traveling from California to North Carolina uses 36 times more fossil-fuel energy



in transportation costs than it provides in food energy. One way that we can reduce energy use and contribute to saving the environment is to purchase from local growers. Some estimates report that every dollar spent on locally produced foods returns \$3 to \$7 to the local economy. Purchasing locally helps build communities. Great places to look for local foods near you include farmers markets, farm stands, or community-supported agriculture (CSA).

Community-supported agriculture (CSA) — What is it?

Community-supported agriculture is becoming a popular way to buy local, seasonal food directly from farmers. Interested consumers purchase a share, membership, or subscription and in turn receive a box of seasonal produce throughout the growing season.

Advantages for consumers

- Eat farm-fresh food
- Discover new vegetables and ways of cooking
- Develop relationships with the farmers who grow your food and learn more about how it is grown

How can I find a nearby CSA?

For a national listing go to www.localharvest.org. Or go to www.nal.usda.gov/afsic/csa/ and click on National state-by-state database of CSA farms.

Paying your bills (continued from front page)

obtain future credit. For this reason, if you are unable to pay your bills, contact each creditor immediately. Consider whether credit counseling or a debt repayment plan might be helpful for your situation. See the publication “Credit Counseling: Factors to consider and what to expect” at <http://www.ces.ncsu.edu/depts/fcs/resource.html>.

The best strategy is for you and your family members to face the situation honestly. Openly discuss the spending decisions with all family members. This will help everyone realize that changes and sacrifices must be made for your family’s plan to be successful.

To read more, go to http://extension.org/pages/Deciding_Which_Bills_to_Pay_First

GATHER THE FACTS

Before you talk to your creditors, take a hard look at your situation and make decisions about how much and when you can pay. First, answer the following questions:

How much income can you count on each month?

How much money is needed to cover your family’s essential monthly living expenses?

How many creditors do you owe and what is the total amount you owe? How long is your present financial situation likely to last?

What assets (savings or items that you may be able to sell) could be used to pay off your debt?

What debts are the most important to repay first?

What debts could be satisfied by voluntarily surrendering, or giving back, the item?



How much activity do young people need?

According to the United States Department of Health and Human Services, participation in regular physical activity provides health benefits. Evidence suggests that by being physically active, aerobic fitness and muscular strength increases; muscle, bone, and fat ratios improve; bones become stronger; and symptoms of depression decrease.

Physical activity guidelines for children and adolescents focus on three types of activity: aerobic, muscle-strengthening, and bone-strengthening. All three offer health benefits. Children and adolescents should engage in one hour or more of physical activity each day. That one hour should include:

- Aerobic activities each day. Most of the hour should be spent at an intensity of moderate or vigorous.
- Muscle-strengthening activities on at least three days a week. These activities should involve a moderate to high level of effort and should work major muscle groups including legs, hips, back, abdomen, chest, shoulders, and arms.



- Bone-strengthening activities on at least three days a week. Through impact with the ground, these activities produce a force on the bones that promotes strengthening and growing.*

Adults can help youth be active by encouraging engagement in physical activities that are appropriate for their age, are enjoyable, and offer variety.

**Source: U.S. Department of Health and Human Services, CDC, Division of Nutrition, Physical Activity, and Obesity*

Intensity — level of effort required to do an activity

If you can talk, but not sing, during the activity you are doing a moderate-intensity aerobic activity.

If you cannot say more than a few words without pausing for a breath you are doing a vigorous activity.

Take charge of your health!

It's that time again. The holiday season is over and a new year is upon us. By tradition, this is the time to look back at lessons learned and contemplate ways to achieve goals in the New Year.

If you're like most Americans, lifestyle habits — including being more physically active and eating healthfully — top your resolution list every year. Resolving to improve your health is one thing; keeping that resolution is another. After a holiday season of indulging, you may tend to set unrealistic goals. For example, you may resolve to work out at your new gym every day. A better and more realistic goal would be three days a week. Better yet, just walking three to five days a week if you are inactive would be an admirable goal.

Take small steps toward a healthy lifestyle. Start by adding physical activity to your daily routine. Take the stairs instead of the elevator, park farther away from your destination, use the drive-thru less often. Work your way up to walking 30 or more minutes on most days of the week.

For long-term sustainability, keep your plan simple. Small changes are easier to

maintain, and they can make a big difference over a lifetime. Simple changes include eating a healthy breakfast each morning or taking a daily ten-minute walk.

Try these tips for realistic goal setting:

- Write down your goal. State the parameters of the goal specifically. For example, "I will go for a walk for 30 minutes, four days per week."
- Create a plan. Develop a plan that meets your goals. Be realistic in terms of your time commitment and your level of interest, with sustainability in mind.
- Ask for help. Most people find reaching goals challenging. Ask for assistance from friends, family, or support groups. Maybe your spouse, sibling, co-worker, or friend is also making a resolution to be healthier this year. Mutual support can benefit both of you.
- Think small. Eating healthier and being more active includes the small choices you make each day. Every time you walk instead of ride or choose a glass of water

instead of a calorie-laden beverage, you are making a healthy choice. Over time, small, healthy choices add up to make a positive difference.

- Be positive. Shame and guilt can be obstacles to change. If you feel guilty after a setback, imagine what you would say to a friend in the same situation. Most likely, you would be encouraging and supportive and help come up with some solutions to the problem. Treat yourself with the same love and respect. Do not let a setback derail your plan. Get back on track quickly.

This year, make New Year's resolutions that you can stick to for a lifetime. Simple changes in eating habits and physical activity can make a huge difference in your health. For more ideas on how to eat smart, move more, and achieve a healthy weight, visit www.MyEatSmartMoveMore.com.



Eating Well on a Budget

During these challenging economic times you may find it difficult to eat healthfully, but the good news is that by putting in place money-saving strategies, it is possible to eat well on a limited food budget.

Plan family meals for the week. Include your family's favorite meals. Look for recipes that include five or fewer ingredients. Consider your family's extracurricular activities and plan quick dinners like soup and sandwiches on evenings when meal timing is tight.

Make a shopping list. Shopping weekly helps to save time, gas, and money. Use a list to help you remember the needed items. Start by listing the things your family needs each week. Keep the list taped inside the kitchen cupboard and add to it as you finish a container of a basic item like flour or milk. Take an inventory of needed items by checking the pantry, refrigerator, and freezer before going shopping. Organize coupons that can be used for items on your list. Plan to purchase in-season fruits and vegetables, which tend to be less expensive and taste better. When you are shopping stick to your list - do not purchase items that are not on it. Shop on the aisles of the

grocery store where the healthier and less expensive items are located.

Prepare your meals. Refer to your weekly menu each day. Sticking to your plan can save money. Healthy, quick, and inexpensive items can be added to any meal, such as your family's favorite canned or frozen fruit or vegetable. Round out your meal with a bowl of cut-up fruit. Check your meal plan each evening. Take out frozen items the night before you will be using them in your meal preparation. Place them in a dish in the refrigerator to thaw safely for the next days' dinner.

Eat together as a family. Families who eat meals together are more likely to eat healthfully.

Despite busy schedules, it is important to make family meals a priority. Mealtime is a great opportunity for parents and children to be together. Adults are important role models for children and can set the stage for them

to learn to enjoy a wide variety of foods. Remember that children often need more time to eat than adults. Allow adequate time to enjoy the food and the company of your family. Mealtime is a perfect time to catch up on events of the day and to plan for upcoming family activities.

EXTENSION'S Successful Family

This quarterly newsletter is written by a team of North Carolina Cooperative Extension family and consumer education agents. The purpose of the newsletter is to inform and educate families on issues that affect them, and to provide ideas for helping improve their quality of life. An educational outreach of NC State and NC A&T State universities, Cooperative Extension is located in every county and the Cherokee Reservation.

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