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Week 12 of 52: Financial Preparedness

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Category: 52 Weeks to Preparedness

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There was a time in the not too distant past where I was enslaved to debt. I supplemented my income with credit cards in order to maintain an overindulgent lifestyle, and when my daughter needed emergency medical care, my financial situation worsened because I didn't have medical insurance. The medical bills were a nightmare, and paying them off seemed like a never ending uphill battle. For years we had to live below our means in order to sort out our financial mess. During this time frame, I repeatedly asked myself, "Why didn't I set some money aside for harder times? Why didn't I prepare for this?" It was these questions that led me on a journey of financial discovery. Instead of wallowing in self pity, I educated myself in finding [practical ways](#) ^[1] to fight back and to simplify my lifestyle, which became a huge lesson in self control.

Emergency agencies suggest a person have at a minimum 3 months pay saved up to fall back on. Although, this can be a difficult amount to save in our economy, it is possible if you [simplify](#) ^[2] your lifestyle. Here are [7 Ways To Save a Buck](#) ^[3] :

1. Counteract financial emergencies by preparing for them in advance. Even when times are financially prosperous, it is a good idea to have a financial contingency plan in place and some emergency funds set aside to fall back on; this money can act as a buffer when things do go financially awry.
2. Focus on meeting your practical needs, i.e., food, water, shelter. As long as you have shelter and food to provide for your family, you are ok. The rest of the financial mess will eventually sort itself out.
3. Stop spending frivolously. Cut the following from your budget: restaurants, manicures, and Starbucks (my sister just fainted). Set a goal to save as much money as you can.
4. Take advantage of grocery store advertisements and coupons. You can save a substantial amount of money when you search for discounted goods; throw away brand loyalty.
5. Buy products in bulk. Purchase a few extra [short term](#) ^[4] food supply items (e.g., canned goods, formula, flour, sugar, etc.) each time you visit the store. Accumulating a few extra items will not break the budget, and when the money gets tight, you have the items on hand.
6. Trim the budget and shift your focus to the bare necessities. If you have children and one of the parents isn't working, don't spend money on daycare. If you are concerned about a lay off, start conserving your money by cutting back on energy bills, cable bills, etc. Speak with family members and let them know that you may be losing your job. Sometimes friends and family have good advice and possibly some contacts.
7. Have a garage sale to get rid of items that are no longer used. "One man's trash is another man's treasure." You may be surprised at how much money you could get for your gently used items that are collecting dust in your garage.

Finding ways to cut corners can be a proactive way to learn new skills. Rather than paying a company to landscape your yard or paint your home, do it yourself. The more skills you allow yourself to learn, the more self-sufficient you will become, which is the reason we are trying to become prepared. As an example, one of the ways I cut back and became more self-sufficient was to start baking my own bread and making my own condiments. If I hadn't made the choice to be more frugal, then I never would have learned how to make fresh bread and can vegetables.

Preps to buy:

Rather than purchasing emergency supplies this week, concentrate your attention on your family's short-term and long-term financial goals and discover ways to trim your budget.

Action Items:

1. Create a financial contingency plan.
2. Look at your budget and begin eliminating unnecessary debt.
3. Try and save 5-10% of your paycheck to use as a back-up plan.

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URLs in this post:

[1] practical ways: <http://www.bigtexcredit.com/>

[2] simplify: http://readynutrition.com/resources/simply-simplifying_06102010/

[3] 7 Ways To Save a Buck: http://readynutrition.com/resources/7-ways-to-save-a-buck_02112010/

[4] short term: http://readynutrition.com/resources/food-storage-getting-started_13102009/

[5] bread: http://readynutrition.com/resources/amazing-whole-wheat-bread-recipe_11052011/

[6] condiments: http://readynutrition.com/resources/do-it-yourself-condiments_07022010/

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