



Overcoming Financial Emergencies

Each of us at some point in our life will experience hardship. When life throws us these curve balls (death of a close family member, injury, illness, unemployment, etc.), our reactions to them have a lasting impact on us and the people around us. This impact can last days, months and even years. Depending on your age and life experience, just reading the words “death, injury, illness and unemployment” probably elicits some memory or emotion.

We usually have the support of family and friends to help us through the emotional and physical effects of life’s hardships. We also reach out to professionals that specialize in the fields (funeral directors, psychiatrists, counselors, doctors, employment specialists). They help guide us through these events with a methodical approach that almost calms us. After all, they are the professionals. So, we put our trust in them.

Unfortunately, these life events also have an impact on our financial well-being. Unlike the event itself, our finances have to be maintained void of emotion. This is a tall order as we are typically dealing with the emotions of the event while trying to make sound financial decisions. It is at this point that we should also seek out a professional in the field to guide us through our financial decisions.

I recently worked with a couple who did just this. They were experiencing several of life’s curve balls all at once. One of them had lost their job. Around the same time, the water pipes in their basement burst due to the extreme cold. This caused their basement to flood which completely destroyed their furnace. It was still cold and they needed heat for their home. With three young children, this was definitely a priority. Unable to replace the furnace right away, they had to do an affordable fix. They purchased space heaters to heat their home until the furnace could be replaced. Unfortunately, this caused their electric bill to become unmanageable. They completely drained their emergency savings to replace their furnace. However, they were still unable to run their furnace because they had no propane. The company would not fill their tank due to non-payment.

At that point, the couple reached out to Catholic Charities for help and I had the pleasure of working with them. Through a joint effort between Catholic Charities and several other local organizations, we were able to secure enough funds to pay the past due propane bill and to have the tank filled. With the immediate emergency of heating the home covered, I continued to meet with the couple over the next few months to help them develop a sound financial plan. It was not easy for them. They had to re-prioritize some of their expenses and make some temporary changes to their lifestyle in order to meet their basic living needs.

I’m happy to report that both are now employed and all immediate needs (housing, food, clothing, utilities, insurance and transportation) are being sustained by their current income. I spoke with them just the other day and they told me they have even started contributing to an emergency savings account for the next “curve ball” that life throws at them.