

What To Do During a Financial Emergency

A financial emergency can happen to anyone. Whether it's the loss of a job, unexpected medical bills, major home repairs, or something else, one notable life event can quickly throw your finances into a whirlwind.

What's important is [knowing how to handle that whirlwind](#). The last thing you want is to be so stressed that you don't know where to begin in pulling yourself out of the hole. That's why you should understand how to handle a financial emergency — whether you're in one now or want to know what to do in case one occurs.

Assess and Get Organized

Make a list of all of your normal expenses so you know what needs to be paid, then consider what resources you have in place to cover an emergency. Do you have an emergency fund, savings, or assets that you can sell? If so, now is the time to utilize those.

Remember to be clear-headed when you assess your finances, as panicking does not make for smart decisions. Take an objective look and make a summary of what you have, [then start making a plan](#).

Make a List of Priorities

Now that your expenses are laid out, it's time to prioritize them. Rank them in order of importance and urgency – for example, rent or mortgage come before entertainment expenses like Spotify and Netflix – and know that you might need to give up some lower-tier expenses. Canceling subscription services and making a point to cook at home instead of eating out is usually a good place to start.

Reach Out to Creditors and Lenders

If, after organizing your expenses and cutting back, you still can't meet your obligations, [get in touch with creditors and lenders](#). Explain your situation and ask for a payment plan or forbearance. Be honest on why you're having trouble making payments on your

car, your home, or whatever it may be that you're struggling with, and provide information and documentation that backs you up.

Talk to Family and Friends

Even though financial emergencies can be isolating, you are not an island. Instead of taking on high-interest debt, reach out to family and friends – the worst that they can say is no.

To help the conversation go more smoothly, structure it. Communicate a detailed repayment plan and offer a reasonable interest rate for the amount you're asking for. Put things in writing so everyone can feel good about it. That way, it feels more like an agreement and less like a favor.

Try Other Sources of Income

If you're able to take on a part-time job during a tough time, there's nothing wrong with doing that. It's an extra stream of income, after all. Another way to bring in money is by selling unused items (or even gently-used things like furniture or clothing) online or in a yard sale.

Side gigs are also an option. No matter what your talents are, there's likely a side hustle that suits you – from rideshare jobs like Uber and Lyft to freelancing gigs, there are all sorts of ways to make money on the side.

Get Professional Help

If you're overwhelmed by your financial situation and need someone to swoop in and create a plan to get you out of it, a financial advisor or counselor can help. Knowing [how to](#) get through emergencies is part of their job, and they're there to support you.

Our agents at Interra are happy to help you figure out a plan that works for you and your family, as are our partners at Greenpath Financial Wellness. GreenPath offers financial counseling services to help you pay down debt faster, improve your credit score, figure out options for student loans, and make important housing decisions, and they are an invaluable resource to use during a rough patch.

Seeing It Through

When you're in the middle of a financial emergency, it may feel never-ending. Know that there is a way through and there is always help available. [Just stay calm, get organized](#), and remember these resources, and you'll be back on your feet in no time.

Are you struggling financially right now? Interra can help. Simply [reach out to our experts](#) and we'll help you make a plan.