PATHWAYS

GREENPATH NEWSLETTER

JUNE 2017

Deciding Which Bills to Pay First

There are times when money is tight, and understanding how to deal with that stack of bills can be very challenging. But don't panic! Here are some guidelines that can help you decide which bills you should pay first.

1. **Food, Medicine and Child Care**
   Paying for food, child care, and essential medicine should be your first priority. You should always be a good steward of your money and spend wisely here. Don't overspend for food and unnecessary medicine.

2. **Housing**
   If possible, keep current on your mortgage or rent payments. A home financed with a mortgage is a secured debt, and the lender expects timely and consistent payments. If you own your home, real estate taxes and insurance must be also paid. These expenses may be included in the monthly mortgage payment as part of your escrow account. Any condo fees or mobile home lot payments also should be considered a high priority. Failure to pay these obligations could lead to a lot of stress and loss of your residence.

3. **Utilities**
   If possible, make necessary utility payments on essential utilities such as heat, water, and electricity. Working hard to maintain your mortgage or rent payment makes little sense if you don't have heat, water or power. Carefully analyze other expenses in this category such as cell phones, house phones, Internet and cable TV. Often, those expenses are "wants" — not "needs" — and can be reduced or eliminated during a financial crisis.

4. **Auto**
   If you need your car to get to work or for other essential transportation, rank your car payment just below food, medicine, housing and essential utilities. Stay current on your insurance payments as well. If you don't, your creditor may buy insurance for you at your expense — and it will be more costly to you. The key here is buying a car that meets your needs and fits within your budget.

5. **Child Support**
   Child support obligations are court-ordered payments that must be considered high priority, from both a legal and ethical standpoint. It's the court's responsibility to establish a payment that is fair and just for both parties, and to ensure the safety and well-being of the child. In many states, child support payments are automatically deducted from your pay check.

6. **Income Taxes**
   You must pay federal and state income taxes that are not automatically deducted from your wages. You must file your federal and state income tax return, even if you cannot afford to pay any balance due. Failure to pay taxes on time can result in penalties and eventually wage garnishments.

7. **Unsecured Debts**
   If you simply don't have enough money to meet your monthly obligations, you should communicate promptly with your creditors to explain the situation and request some assistance. These accounts may include credit card bills, doctor and hospital bills, or other merchant accounts. Explain that your financial situation is preventing you from making the payments, and you are working towards a solution. You have not pledged any collateral for these loans, so you are not in jeopardy of losing property. However, these creditors do expect to be paid back. So understand that collection efforts can be persistent and stressful.

Understanding the basics of prioritization is an essential aspect of money management. Ideally, you would always have enough money to cover all of your monthly expenses and still have some left over to save. However, there may be times when you simply don't have enough money to pay all your obligations, and that's when you must take the emotion out of your decision making process.

GreenPath financial wellness

June Webinars Focus on Uncovering Myths Versus Facts and Mapping Your Path to Financial Wellness

GreenPath has two free, informative webinars on tap for June:

Money Myths vs Facts
Wednesday, June 14, noon ET
There are many money management myths out there that can actually be quite costly. In the Money Myths vs Facts webinar we'll expose some common myths and replace them with money facts.

Roadmap to Financial Success
Wednesday, June 28, noon ET
Have you dreamed of a life free from financial worry? Then this is the workshop for you. We will guide you through steps designed to improve your budget, improve your credit and reach your financial goals. Topics discussed include credit reports, debt management, money management, investing and retirement. Whether you're just starting out or building on where you are, you will leave with information to get your finances moving in the right direction.

Sign-up for these personal finance webinars by logging on to *www.greenpath.com/gfw-webinars*.

GreenPath Facebook Friends Page celebrates one year anniversary!

Last June, GreenPath launched a closed Facebook group, designed to build an online community to connect our current GreenPath customers together and support efforts to reach their financial goals.

The group has been a great success! Our community, of over 1,200 members, shares success stories, asks questions, provides support for those along their journey, and offers tips and feedback.

We hope you will join our group and take part in some great conversations!

WHAT DOES A CLOSED FACEBOOK GROUP MEAN?
It means that GreenPath employees must approve members to be part of the group, and only group members can see what is posted. If you have a Facebook account, simply request access at *https://www.facebook.com/groups/GreenPathFriends*. Once confirmed, you can jump right in!

June is Homeownership Month! Is Homeownership Right for You?

National Homeownership Month recognizes the many benefits of homeownership to families and communities. Owning a home has been thought of as a significant part of achieving the American Dream.

However, since the Great Recession, homeownership rates have been at historic lows, due to a variety of factors, including difficulty saving for a down payment, not having access to credit, and too many regulations.

Before buying a home, it's important to evaluate some of the pros and cons of homeownership to determine if it is right for you!

Pros
- Freedom
- Space and Privacy
- Financial benefits

Cons
- Maintenance
- Utility expenses
- Longer commitment