

**COPING STRATEGIES FOR "MAKING ENDS MEET":  
FINDINGS FROM A COGNITIVE RESEARCH STUDY AT  
THE U.S. BUREAU OF LABOR STATISTICS**

Thesia I. Garner, Ph.D.  
Research Economist  
Division of Price and Index Number Research  
tel: (202) 606 6579 extension 596  
email: Garner\_T@bls.gov  
and  
Linda L. Stinson, Ph.D.  
Research Psychologist  
Office of Research and Evaluation  
tel: (202) 606 7528  
email: Stinson\_L@bls.gov

Bureau of Labor Statistics  
Postal Square Building  
2 Mass. Ave., N.E.  
Washington, D. C. 20212

**43rd Annual Conference of the American Council on Consumer Interests  
Salt Lake City, Utah**

**Invited Paper Session: Coping During Periods of Economic Uncertainty  
Friday, April 4, 1997, 8:30-10:00 a.m.  
Synthesizer: Jane Schuchardt, U.S. Department of Agriculture**

The authors would like to thank persons in the Bureau of Labor Statistics (BLS), Bureau of the Census (Census), Joint Program in Survey Methodology at the University of Maryland, and University of Michigan Survey Research Center for their work on this study. Support for the project was provided by the BLS and the Census. Special thanks go to Sylvia Fisher, Robert Groves, Brian Kojetin, Bob Kominski, Mary McCarthy, Darby Miller, Brent Moulton, Stephanie Shipp, Clyde Tucker, and Denny Vaughan. The responsibility for errors remains with the authors. All views expressed in this paper are those of the authors and do not reflect the views or policies of the Bureau of Labor Statistics or the views of other BLS staff members.

## **I. INTRODUCTION**

Our society is continuously being faced with challenges associated with economic uncertainty. This economic uncertainty can be related to downsizing by companies, changes in the role of government, increased life spans, and changes in the composition of families. Concerns arise over income security resulting in economic strain. Changes resulting from economic uncertainty motivate individuals and households to initiate various adjustment or coping strategies as they strive to meet their basic needs. Other individuals and households use strategies which result in their actually "getting ahead." How people deal with changes and their implementation of various coping strategies will strongly influence whether these individuals are winners or losers. The assumption that people are motivated to change behaviors because of the discrepancy between ideal (i.e., standard) and actual situations (i.e., level) makes sense, but it is also well accepted across different theoretical literatures.

The major survey problem when measuring subjective phenomena such as possible coping strategies and income adequacy is the susceptibility to nonsampling error. Any change, temporary or permanent, in or around the responding subject (mood, experience, weather) may alter that subject's perceptions, interpretations, and conclusions- if only for a moment. Likewise, the context of the interview itself, the order in which questions are presented, and even the characteristics of the interviewer may affect the respondent's subjective assessment. In such cases, it would be difficult, if not impossible, to determine whether changes in subjective assessments represent true

variation resulting from a change within the subject or the intrusion of measurement error into the survey process. As a result, the effective use of subjective questions must absolutely depend upon (1) clear, precise, and unambiguous language, (2) non-arbitrary response categories, and (3) clearly defined concepts. Only in this way can surveys overcome the vulnerability of subjective questions to measurement error.

The purpose of this paper is to report on work being conducted within the U.S. Bureau of Labor Statistics (BLS), in conjunction with the Bureau of the Census, on subjective or cognitive assessments of economic well-being. The study was designed primarily to help us understand how individuals think as they are asked questions related to income adequacy; information about coping strategies was collected as part of this process. Here we focus on the coping strategies that individuals and households use or say they would use if necessary to "make ends meet." Since most American adults are confronted daily with the delicate task of balancing their income and expenses, it seems reasonable to expect them to have a rather well-developed budgetary sense and understanding of how they make ends meet. Consequently, the task of listing strategies that help them maintain that balance between income and expenses in pursuit of their personal goals should not be unfamiliar to them.

Once we gain a better understanding of questions like the ones we pose in our study, greater progress can be made to combine subjective assessments and objective measures of economic well-being. This information can be used to help us understand better the data that we already collect related to income and expenditures and other "objective" measures of levels of living, assist in our development of data collection instruments, and broaden our array of economic statistical measures. We should also be

able to test various consumption theories such as the life-cycle hypothesis and the relative income hypothesis, develop equivalence scales, measure individual welfare functions, conduct tests of utility maximization in consumer behavior, quantify habit formation and preference formation, and produce sufficiency thresholds (for references see Garner, Stinson, and Shipp 1996). In addition, with improved question wording and survey questionnaires, policy makers should be in a better position to design and implement improved maintenance and transfer programs for the more needy in our society.

The remainder of this paper is organized into four sections: study design, methodology, results related to coping strategies, and conclusion. The study was designed by staff within the Bureau of Labor Statistics (BLS), with data collected by the BLS and the University of Michigan Institute for Survey Research. Funding was provided by the BLS and Bureau of the Census.

## **II. STUDY DESIGN**

Our study was designed primarily to address four main research questions:

1. How do respondents interpret such terms as "minimum income," "sufficient income," "necessary expenses," and "monthly household income?" Since these terms are not defined for respondents, the range of possible interpretations needed to be determined.
2. Are there potential order effects when asking respondents to make subjective assessments? For example, when respondents are asked to assess satisfaction with their income, are their ratings affected by questions immediately preceding those asked about their expenditures? The possibility exists that consideration of one's expenses may create a comparison that may temporarily raise or lower one's evaluation of income.
3. How do respondents use response categories such as "good/bad," "sufficient/insufficient," and "delighted/terrible?" Are these the appropriate terms for assessing people's attitudes and emotions about their income? What metric should be used for the scale range?

4. How easy or difficult is it for respondents to make subjective assessments of their income? How accurately do respondents review their economic situation when making subjective assessments?

To address these four main research questions, a two-prong strategy of qualitative testing consisting of cognitive interviews and focus groups was used. The successful application of such qualitative methodologies requires that as many differing viewpoints as possible be gathered, so that a full range of ideas and opinions may be observed. In order to extend the breadth of views expressed, our study is designed to include three types of family composition, three levels of income, and five sites spread across the United States. The result is a three-by-three design matrix (based on household type and income group) with a total of nine cells; not all sites are represented by each cell in the matrix. At least five (5) interviews and one (1) focus group was conducted in each cell.

Based on our own evaluations and earlier work,<sup>1</sup> we expected that spending patterns impinge upon one's attitude toward income, so we decided it was necessary to include a range of household types reflecting diverse expenditure patterns. We screened participants and categorized their household types as:

1. single adults with no children under 18 years-of-age in the home,
2. adults (either single or sharing expenses with another adult) with children under 18 years-of-age in the home,
3. adults sharing expenses, but with no children under 18 years-of-age in the home.

We defined the levels of income as either (1) low, (2) medium, or (3) high. These are determined separately for each geographic area in which testing is conducted. Using July to December 1994 Income Percentile Data from the Current Population

---

<sup>1</sup>Garner and de Vos (1995).

Survey (CPS),<sup>2</sup> staff from the BLS<sup>3</sup> adjusted these estimates to the March 1996 level using the CPI-U for all items.<sup>4</sup> These estimates represent taxable household income in the appropriate metropolitan statistical areas and do not include the cash value of food stamps. The income ranges for each area are divided into thirds for each of the three household types.

The five sites were selected to provide national coverage, as well as some urban/rural differentiation. The sites were Miami, Los Angeles, Detroit, Baltimore, and West Virginia. In this paper, we present summary results from all of the interviews. The Miami, Baltimore, and West Virginia focus groups and cognitive interviews were conducted by research psychologists and other staff members from the BLS. Data from individuals living in the Los Angeles and Detroit areas were collected by a team of researchers from the University of Michigan Survey Research Center, under contract with the BLS. Data were collected during the late spring and summer of 1996.

### III. METHODOLOGY

Our choice of two qualitative methodologies, *focus groups* and *cognitive interviews*, reflected our lack of even the most basic information concerning the ways that respondents would react to these types of questions, scales, and concepts. We had no prior hypotheses driving our data collection. Instead, we were attempting to (a) simply observe the procedures and strategies respondents use when making subjective

---

<sup>2</sup>Special thanks are extended to Kathleen Short of the Census Bureau for producing these ranges. Earlier ranges were produced by Bill Passero using CEX data but we decided later to use the CPS data for selecting our subsamples.

<sup>3</sup>Thanks to Wolf Weber for this conversion.

assessments, (b) hear the language they use when discussing these topics, and, ultimately, (c) see these issues from the respondents' perspective by encouraging and assisting them in articulating their own unique perspectives on the world.

### ***A. Focus Groups***

In our focus groups, respondents were asked to discuss the concepts of "minimum income" among themselves. Specifically, we asked them:

- What amount of income would they need to "make ends meet" and how did they decide upon this amount?
- What expenses would be covered by "enough money to make ends meet?" What would this amount of money purchase?
- What things in their lives determine the amount of income a family needs "to make ends meet?"

In addition, participants were asked to evaluate different "levels" of income. For instance, they were asked to describe the differences between "good" and "bad" amounts of income. A similar discussion was raised for the distinctions between "sufficient" and "insufficient" incomes. Participants were asked to consider what elements or events might cause the dividing points between "good and bad" or between "sufficient and insufficient" incomes to fluctuate. Finally, participants were presented with the "delighted/terrible" scale and probed for their reaction to, as well as their understanding and use of its response categories.

### ***B. Cognitive Interviews***

For this study, several tasks were drawn from the repertoire of cognitive laboratory techniques. The interviews begin with a concurrent think-aloud task, through

---

<sup>4</sup>No CPI-U data were available for the Detroit/Ann Arbor area for March 1996. The alternative for updating the income ranges was thus to average the CPI-U's for February 1996 and April 1996 to make the

which the participants were able to describe their thoughts while answering either the MIQ and an alternative "minimum spend" question. Participants were first "taught" to create an answer out loud by having the procedures explained and demonstrated. They were then requested to talk through all the issues and problems they had as they arrived at , their answer to the question. As the answers emerge, the interviewer followed up with probing questions to gain additional details and understanding. Participants were asked to rate their confidence in the answer they provided and to paraphrase some of the concepts in their own words. Such strategies are generally used to identify difficulties in understanding question wording or concepts, recall strategies, and the participants' reactions to the question.<sup>5</sup>

A second technique used was an "income sorting" task directed toward assessing the ways that participants evaluate income. Two versions of the task were used for each participant. In each case, cards were arranged in front of the participant that were labeled either "Very good," "Good," "Bad," "Very Bad" or "Sufficient," "Insufficient." Participants were then handed a stack of cards with dollar amounts written on them, ranging from \$250 to \$6,000 in \$250 increments. Participants were instructed to think about all the members of their household and their expenses and then to evaluate each dollar amount as monthly take-home pay. The evaluations were made by placing each dollar amount into an appropriate category. After all the cards had been sorted and the difficult gray areas between categories recognized, the interviewers probed the decisions. Participants were asked to discuss how they decided to categorize the dollar amounts,

---

adjustment.



what the income amounts categorized together had in common, and what their lives would look like with the varying categories of income.

A third task was a series of short answer questions using the "delighted/terrible" scale. "Satisfaction" assessments ran the risk of being affected by preceding questions that make specific information salient, thereby creating temporary standards of comparisons, affecting judgments, and causing later responses to be higher or lower by comparison. So in order to test for this possibility, a series of questions was asked for which participants were to use the "delighted/terrible" scale to identify how they felt about expenses such as the cost of feeding their families, eating out in restaurants, buying clothes, health care, transportation, school tuition, and housing. Half of the participants were asked to assess their family incomes *prior* to expenditure assessments; half of the participants were asked to evaluate their family incomes *after* the evaluation of expenses. Participants were also asked to discuss the "delighted/terrible" scale and to describe the meaning of the various categories.

In order to understand more fully the meaning of 'making ends meet,' we asked respondents to tell us what their lives would look like if they could NOT make ends meet. Their responses were a fascinating description of coping strategies and emotional reactions. Life in which you were "not making ends meet" was outlined as a series of behaviors undertaken to curb spending and increase earnings, along with a number of negative emotions running in tandem.

---

<sup>5</sup>T. J. DeMaio and J. M. Rothgeb. "Cognitive Interviewing Techniques in the Lab and in the Field." In *Answering Questions*, N. Schwarz and S. Sudman (eds.). San Francisco: Jossey-Bass Publishers, 1996, pp. 177-195.

In closing, the interview participants answered a series of short debriefing questions. These questions probed their reactions to the interview itself, what they liked best and least during the interview, what was easiest and most difficult, and their ideas for other questions that we could ask to more fully understand their subjective experience of the *yin* and *yang* of income and expenses.

#### **IV. RESULTS**

A number of psychologists have argued that it is through our efforts to exercise control over our lives by making decisions and adjusting our behavior that we show ourselves to be most human (Adler, 1930; de Charms, 1968; White, 1959). Our respondents clearly demonstrated this fundamental human urge to take charge of their own existence. Repeatedly, they described ways they might adapt to new economic constraints, curtail their spending, and attempt to regain fiscal ascendancy (see Appendix). Echoing the economizing tactics detailed by Van Raaij and Eilander (1983), these strategies seem generally to be directed at adjustments to (1) price, (2) quantity, (3) quality, and (4) lifestyle. Examples generated by our respondents in each of these categories are listed below.

##### Adjustments to Price

- look for sales
- buy second-hand goods
- shop with coupons
- buy generic products
- eat cheaper foods
- move to cheaper lodgings
- buy a cheaper automobile
- pay cash to increase awareness of spending

### Adjustments to Quantity

- limit new clothing purchases
- stretch personal hygiene supplies
- limit amount of insurance coverage
- take fewer car trips
- limit entertaining, dating, recreation
- make fewer long-distance telephone calls
- conserve electricity and gas
- limit laundering of clothes
- eat fewer snacks and skip meals
- no eating out
- limit church tithes and charity donations
- postpone home repairs
- postpone health procedures
- limit hair cuts or hair styling

### Adjustments to Quality

- move to more dangerous, but cheaper, part of town
- buy smaller home
- make gifts instead of purchasing them
- trade-in a new car for an older model; keep automobiles longer
- give up specialty vehicles (e.g., vans, motorcycles)
- buy food that 'keeps you going' (e.g., macaroni, oatmeal, rice, pasta)
- stop buying fancy cuts of meat, fresh vegetables or fruit
- use cloth diapers instead of disposables

### Adjustments to Lifestyle

- move in with family or friends
- take in a roommate/boarder
- have children spend a week with their grandparents
- drop out of college
- give up private schools for the children
- come out of retirement and work
- take on multiple jobs (e.g., get a night job)
- borrow from family and friends
- borrow from the bank
- sell possessions, cash-in investments
- accept gifts from Churches
- change from driving one's own car to walking, bicycling, or using public transportation
- go to nature parks for free entertainment
- find edible plants and/or can one's own produce
- do home repairs and all housework oneself
- find a husband

Along with the notion of regaining control over one's economic situation is the issue of "predictability." By changing one's behavior, not only does one attempt to remedy unpleasant economic conditions, but one may also seek to re-establish the predictability of events. A number of psychologists have suggested that this "cognitive control" is an integral feature of coping (Averill, 1973; Greer et al., 1970; Lerner, 1970, 1971). Our respondents alluded to their need for a predictable economic situations when they told us that income insufficiencies would cause them to experience worry and stress. As they said:

*"(Having insufficient income means) I will always have to worry how I would pay my other bills. "*

*"With the bad income, it's dark and uncertain; there's struggle. There's a real insecurity level that comes in here in the bad (income amounts). You're living from day-to-day. "*

*"(With very bad amounts of income), I'd be worried about the future. I'd worry a great deal about the future. "* (Unpublished BLS report--- Thesis, I don't know exactly how we should reference this here)

In some cases, our respondents mentioned the possibility of being so worried by not making ends meet that they would become "depressed." Researchers have viewed depression as having many components, including the loss of self-esteem and motivation resulting from the uncontrollability of outcomes. But the negative emotions that accompany depression are considered to result from the expectation of bad events, since one is generally not depressed by good events, even when they are uncontrollable (Abramson et al., 1978). At least three factors are credited with intensifying the negative emotions that accompany depression:

1. the desirability of the unobtainable outcome or the aversiveness of the unavoidable outcome,

2. the degree of uncontrollability, and
3. perceptions of internal factors, such as lack of ability, as the cause of negative outcomes. (Abramson et al., 1978, p. 65)

Another factor that may contribute to the cognitive discomfort of "not being able to make ends meet," is the comparison with one's prior experiences of economic comfort. According to Thibaut and Kelley (1959) one's current experience is driven, in large part, by that to which one has become accustomed. These past experiences create a backdrop of expectations or "comparison level" against which all new experiences are measured and from which their meaning is drawn (Thibaut and Kelley, 1959, p. 81). The classic example is that of driving 60 miles per hour for several hours and then feeling agitated if one must creep along at 40 miles per hour, whereas that same 40 miles per hour seems quite rapid after being stalled in a traffic jam (Deutsch and Krauss, 1965, p. 117). Again, the effect of this comparison with prior standards was reported by our respondents:

*"(With very bad income amounts) my children would probably go into depression and become very upset not knowing why they don't have the things that they used to have... it would be bad for them, especially mentally and physically. "*

*"The family as a whole, I think, would suffer just from the negative attitudes that would come out of the frustration of not being able to meet the necessary bills. And there would be frustration involved in the small luxuries that we do have, if we could not have those. "* (Stinson 1997)

When situations become uncontrollable and unpredictable, when one's actions do not appear to be successful in remedying aversive events, the result may be such profound psychological distress that many kinds of maladaptive responses begin to appear. These responses may include feelings of helplessness, self-destructive activities, or even physical disease (Wortman and Brehm, 1975, p. 278). Among the actions cited by a

couple of our respondents in response to the prospect of economic despair was the possibility that one, in fact, may just give up and commit suicide. As they said:

*"With bad income, you feel pressure, tension, frustration; this is where fear begins. With the very bad (amounts), a lot of people feel suicidal. They feel worthless and depressed. "*

*"Very bad income brings depression. There's a sense of futility. You might even seek desperate measures to get out. "*

*7 would be very depressed, I'm sure. My health would probably decline ... . "*  
(unpublished BLS report)

There is also some evidence from the animal literature that when organisms encounter uncontrollable negative stimulation, they will begin reflexive fighting. That is to say, many species will indiscriminately strike at any target, including innocent bystanders, when confronted with physical pain or even frustration when previous rewards are withheld. While this may appear to be maladaptive behavior, such aggressive responses may actually be rewarding in the face of uncontrollably aversive situations (Ulrich & Azrin, 1962). In humans, this may be manifested by hostility and aggression toward the agents causing the uncontrollable events and may generalize to others who are close to them (Brehm, 1966). Once again, our respondents alerted us to this possibility when they described family fighting and marital strain resulting from straitened economic situations.

*"(If we couldn't make ends meet), it'd be a lot more stress in the family. I could see us blaming each other for lack of income and blaming each other for spending too much... it could be drastic enough to lead to separation. Part of the fact that led to the divorce in my first marriage was small income. Money always seemed to be a factor in arguments. "*

*"(If we couldn't make ends meet), I would imagine that there would be a lot of stress in the marriage. Talking to my friends, that is one of the biggest things they argue about. The stress in marriages is about making ends meet. There would be a lot of stress in the marriage. "*

*"(If you couldn't make ends meet), it would be chaos. There would probably be a lot more fighting in the house... arguing. "(unpublished BLS report)*

Taken all together, we see from these respondent reports that "not being able to make ends meet" produces discomfort on many levels. On the one hand, there is physical discomfort produced by having to make sacrifices and changes to decrease spending and increase available funds. The behaviors which our respondents reported to us represent many alternatives for coping with this financial struggle (see Appendix). On the other hand, there is also a cognitive component which accounts for a great deal of the distress resulting from not being able to make ends meet. Repetitive thoughts dwelling upon one's economic insufficiencies create worry and fear. Furthermore, if one judges oneself to be ineffectual in dealing with the difficulties, not only is the worry and stress magnified, but the effect may be so severe that inactivity and depression result (Bandura, 1982).

## **V. CONCLUSION**

Our research on subjective assessments of economic well-being have provided us with insight into how individuals, families, and households cope, not only during periods of economic uncertainty, but each day. With this added knowledge, we in the federal statistical community hope to be able to improve our data collection instruments which are used to monitor the economic situation of these groups. We live in a world increasingly characterized by economic uncertainty, research such as this, helps us to understand how we are getting by or getting ahead.

## V. REFERENCES

- Abramson, L., Seligman, M., and Teasdale, J.D. (1978). "Learned Helplessness in Humans: Critique and Reformulation." *Journal of Abnormal Psychology*, 87, 49-74.
- Adler, A. (1930). "Individual Psychology." In C. Murchinson (Ed.), *Psychologies of 1930*. Worcester, Mass.: Clark University Press.
- Averill, J.R. (1973). "Personal Control Over Aversive Stimuli and its Relationship to Stress." *Psychological Bulletin*, 80, 286-303.
- Bandura, A. (1982). "Self-Efficacy Mechanism in Human Agency." *American Psychology*, 37, 122-147.
- Brehm, J.W. (1966). *A Theory of Psychological Reactance*. New York: Academic Press.
- DeCharms, R. (1968). *Personal Causation*. New York: Academic Press.
- Deutsch, M. and Krauss, R. (1965). *Theories in Social Psychology*. New York: Basic Books.
- Garner, Thesia I. and Klaas de Vos (1994), "Income Sufficiency, Expenditures and Subjective Poverty: Results from the United States and the Netherlands," In *Models and Measurement of Welfare and Inequality*, edited by Wolfgang Eichhom, Berlin, SpringerVerlag.
- Garner, Thesia I., Linda L. Stinson, and Stephanie S. Shipp (1996), "Affordability, Income Adequacy, and Subjective Assessments of Economic Well-Being: Preliminary Findings." Paper presented at the Association for Consumer Research Conference, October 10-13, 1996, Tucson, Arizona.
- Greer, J.H., Davison, G.C., and Gatchel, R.I. (1970). "Reduction of Stress in Humans Through Non-Vertical Perceived Control of Aversive Stimulation." *Journal of Personality and Social Psychology*, 16, 731-738.
- Lerner, M.J. (1970). "The Desire for Justice and Reactions to Victims." In J. Macaulay and L. Berkowitz (Eds.), *Altruism and Helping Behavior*. New York: Academic Press.
- \_\_\_\_\_ (1971). "Observer's Evaluation of a Victim: Justice, Guilt and Veridical Perception." *Journal of Personality and Social Psychology*, 20, 127-130.
- Stinson, Linda (1997), *The Subjective Assessment of Income and Expenses: Cognitive Test Results, Final Report*, Bureau of the Labor Statistics, Washington, D. C., January.



Thibaut, J.W., and Kelley, H.H. (1959). *The Social Psychology of Groups*. New York: John Wiley & Sons.

Ulrich, R.E. and Azrin, N.H. (1962). "Reflexive Fighting in Response to Aversive Stimulation." *Journal of Experimental Analysis of Behavior*, 5, 511-520.

Van Raaij, W.F. and Eilander, G. (1983). Consumer Economizing Tactics for Ten Product Categories." In R.P. Bagozzi and A.M. Tybout (Eds.), *Advances in Consumer Research*, X, 169-174.

White, R.W. (1959). "Motivation Reconsidered: the Concept of Competence." *Psychological Bulletin*, 91, 293-323.

Wortman, C.B. and Brehm, J. (1975). "Responses to Uncontrollable Outcomes:" In L. Berkowitz (Ed.), *Advances in Experimental Social Psychology*, 8, 278-336.

## APPENDIX : COPING STRATEGIES

|                  | LOW income  | MEDIUM income  | HIGH income   |
|------------------|---|--|---|
| Living quarters: | <p>Give up apartment; live with family or friends</p> <p>Move into "emergency housing"/women's shelter</p> <p>Find a roommate</p> <p>Get different roommate who could pay more</p> <p>Have children spend a week with their grandparents</p> <p>Move into a motel</p> <p>Have 2 people in single apartment; have 3 people in 2-bedroom apartment</p> <p>Find cheaper rent</p> <p>Move to cheaper part of the country</p> <p>Be homeless</p> | <p>Give up rental; live with family or friends for free</p> <p>Take in boarder</p> <p>Move into single hotel room</p> <p>Live in more dangerous, but cheaper part of town; low-rent, subsidized housing</p> <p>Move to cheaper part of the country</p> <p>Be on the streets</p> <p>Sell home</p> <p>Refinance mortgage</p> <p>Move into lean-to in the woods</p> <p>Give up home with a pool</p> <p>Buy a smaller home</p> | <p>Live with family or friends for free</p> <p>Get cheaper, smaller apartment; move into co-op; move to cheaper part of town</p> <p>Move to cheaper part of the country</p> <p>Sell home</p> <p>Buy cheaper, smaller home</p> |
| Education:       | <p>Drop out of college</p>  | <p>Drop out of college</p> <p>No private school for children</p>   | <p>No private school for children</p> <p>No extra classes for children (art, piano lessons)</p>   |

**Employment:**

|  |   |   |
|--|---|---|
| <p>Get full-time work<br/>Get additional work</p> <p>Get better paying job<br/>Find job closer to home</p> | <p>Get full-time work<br/>Get multiple jobs; extra hours<br/>Get better paying job</p> <p>Find jobs outside the local area<br/>Come out of retirement and do part-time work</p> | <p>Both spouses work<br/>Get multiple jobs; night job</p> <p>Get a better paying job</p> <p>Come out of retirement and work<br/>Spouse work for free in family business</p> |
|--|---|---|

### COPING STRATEGIES continued

|                 | LOW income   | MEDIUM income  | HIGH income   |
|-----------------|--|--|---|
| Obtain cash:    | <p>Borrow money from family or friends</p> <p>Take out bank loan</p> <p>Use savings</p> <p>Turn to street crime</p> <p>Sell possessions</p>  | <p>Borrow from family</p> <p>Take out bank loans</p> <p>Use savings</p> <p>Scrounge around</p> <p>Sell possessions</p> <p>Turn hobby into source of income (crafts)</p> <p>Cash in investments</p>   | <p>Take out bank loan</p> <p>Use savings/401 K</p> <p>Sell possessions</p> <p>Sell stocks, the family business, rental property other assets</p> <p>Rent out some assets</p> <p>Refinance assets</p>  |
| Consumer goods: | <p>Limit clothes, shoes</p> <p>Limit soaps, shampoos etc.</p> <p>No TV</p> <p>No cable</p> <p>Limit hair cuts/beauty salon</p> <p>Buy generic products</p> <p>No beer or cigarettes</p> <p>No video rental</p> | <p>Limit new clothing</p> <p>Stretch personal hygiene supplies</p> <p>No TV</p> <p>No cable</p> <p>No beauty parlor</p> <p>No beer</p> <p>No magazine or newspaper subscriptions</p> <p>Look for sales</p> <p>Buy clothes at rummage sales</p> <p>Make your own clothing</p> <p>Accept clothes from Churches</p> <p>Use clothing vouchers</p> <p>No home renovations</p> <p>Make gifts instead of purchasing them</p> <p>No books or Internet</p> <p>No new furniture or household decorations</p> | <p>Limit new clothing</p> <p>Modify household spending</p> <p>No TV</p> <p>No cable</p> <p>Buy generic products</p> <p>Look for sale rack</p> <p>Shop at garage sales</p> <p>Make gifts instead of purchasing them</p> <p>Limit book purchases</p> <p>No flowers for the home</p> <p>Limit spending on toys for</p> |

|  |  |                                      |
|--|--|--------------------------------------|
|  |  | children<br>Make scheduled purchases |
|--|--|--------------------------------------|

**COPING STRATEGIES continued**

|                 | LOW income  | MEDIUM income   | HIGH income   |
|-----------------|---|---|---|
| Health care:    | <p>No visits to doctor<br/>                     No eye-doctor<br/>                     No dentist</p>   | <p>No dentist<br/>                     Do without braces<br/>                     Children get glasses &amp; dentistry, but not the parents<br/>                     Pay minimum on doctor's bill</p>   | <p>Give up safety net of living near doctors and hospital<br/>                     Postpone certain health procedures<br/>                     Give up other things, but keep health care</p> |
| Insurance:      | <p>No car insurance<br/>                     No health insurance<br/>                     No malpractice insurance</p>  | <p>No car insurance; limit car insurance<br/>                     No health insurance<br/>                     No life insurance<br/>                     Cut back on home-owner's insurance<br/>                     Change deductible on car insurance</p>                            | <p>Limit amount of coverage<br/>                     Use life insurance as a source of revenue</p>  |
| Transportation: | <p>Limit use of car<br/>                     No car repairs<br/>                     Trade-in car for older model<br/>                     Give up car; ride public transportation<br/>                     Use bicycle</p> | <p>Take fewer trips<br/>                     No car repairs<br/>                     Drive an older car; keep the car longer<br/>                     Give up car; ride public transportation<br/>                     Walk everywhere<br/>                     Borrow parent's car</p> | <p>Sell new truck and get older one<br/>                     Give up car</p>  |

|  |   |  |
|--|---|--|
|  | Get a smaller car<br>Give up specialty vehicle<br>(van)<br>Give up second vehicle<br>Don't wash the car<br>Give up leased car | Get cheaper car<br>Give up specialty vehicle<br>(motorcycle)<br>Give up second vehicle |
|--|---|--|





|                      |  |                            |
|----------------------|--|----------------------------|
| Wash clothes by hand |  | clothes<br>No dry cleaning |
|----------------------|--|----------------------------|

## COPING STRATEGIES continued

Money  
management:

| LOW income  | MEDIUM income  | HIGH income  |
|---|--|--|
| Use the credit card to cover expenses month-to-month          | Go into debt   | Accumulate debt until credit is exhausted and then sell things                     |
| Make a budget   | Go on serious budget                                     | Prioritize expenses and budget; more short-term planning                           |
| No spontaneous spending; every expense calculated and planned | Cut corners; any controllable expense should be cut down | Bend and do without; financial considerations play heavily in all family decisions |
| Call and arrange partial payment of bills                     |  |  |
| Pay some bills every other month ("Round Robin")              | Pay some bills every other month ("Checkers")            | Pay some bills and not others  |
| Consolidate debts   |  |  |
| Pay cash to increase awareness of spending                    | Pay cash   |  |
| Wait and see what comes through for the next month            |  |  |
| Declare bankruptcy  |  |  |
| Gradually pay off debts in small amounts each month           |  |  |
|   | Live like a pauper                                       |  |
|   | Do not go into debt; do not spend money you don't have   |  |
|   |  | Look for sales   |
|   |  | Go unprepared for emergencies  |
|   |  | Shop with coupons  |
|   |  | Put all money back into your business & take no income                             |
|   |  | Be more risky and daring in investments  |

Credit cards:

|  |  |   |
|--|--|---|
| Use credit cards to meet needs; use as safety net<br>Give up credit cards<br><br>Use credit cards to consolidate debts | Use credit cards to meet needs<br>Give up credit cards | Use credit cards to cover some expenses<br>Give up credit cards;<br>reduce number of credit cards |
|--|--|---|

**COPING STRATEGIES continued**

|               | LOW income  | MEDIUM income   | HIGH income   |
|---------------|---|---|---|
| <b>Food:</b>  | <p>No eating out<br/>Limit the amount of snack food</p> <p>Buy food that "keeps you going"</p> <p>Eat less; go hungry; fast<br/>Buy cheaper food</p> <p>Eat at someone else's home</p> <p>Use food stamps</p> | <p>No eating out<br/>Limit the amount of snack food; no beer</p> <p>Eat filling food: macaroni &amp; cheese; oatmeal; rice; pasta<br/>Skip meals; buy less food<br/>No fancy cuts of meat, fresh vegetables or fruit; generic</p> <p>Take free meals with family</p> <p>Use food stamps; go to food distribution services<br/>Find edible plants<br/>Can your own produce<br/>Move into subsidized housing with prepared meals cooked in bulk</p> | <p>No eating out<br/>Bring your own coffee instead of buying it outside</p> <p>Limit the amount of food<br/>Eat cheaper foods; no rich eating</p> |
| <b>Other:</b> | <p>Defer the conception/birth of a child<br/>Use cloth diapers instead of disposables</p>   | <p>No Church tithes or charity<br/>Replace cash donations with volunteer labor<br/>Go on welfare<br/>Delay house repairs</p> <p>Give up/commit suicide<br/>Do home jobs yourself</p>  | <p>No charity donations</p> <p>Go on a subsidy<br/>Delay house repairs or improvements; no landscaping</p> <p>No maid services; limit</p>         |

|  |  |   |
|--|--|---|
|  | <p>Get a husband<br/>Live on Social Security</p> | <p>help<br/>around the house<br/>Live on Medicare<br/>Depend upon other people<br/>to<br/>care for you<br/>No spending money for the<br/>children<br/>Turn to positive<br/>motivational<br/>books &amp; religion<br/>Limit kid's extracurricular<br/>activities<br/>Give up therapy</p> |
|--|--|---|