

MANAGING IN TOUGH TIMES

FAMILY FINANCIAL MANAGEMENT

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THIS MONTH'S TOPIC:

Downsizing Your Home...How to Start the Process

The U.S. Census Bureau estimates the average person will move 11.7 times during his lifetime. Individuals move for several reasons, including job relocation or for family-related reasons, such as getting married or having children. Although there are many reasons for a person to consider moving, downsizing to a smaller home has become a recent trend. Smaller homes typically require less maintenance and can result in significant savings for the homeowner. Older adults are often interested in downsizing to simplify their lifestyle, to live closer to grandchildren, or to provide additional income to meet their retirement goals. The benefits of downsizing may sound very appealing; however, many individuals experience some anxiety when letting go of the family home and the many belongings associated with it.

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VALUING PEOPLE. VALUING MONEY.
MANAGING IN TOUGH TIMES INITIATIVE



Continued from page 1

An individual or family considering downsizing should evaluate both the benefits, as well as the disadvantages associated with moving to a smaller home. At times, the decision to downsize may be due to necessity instead of personal preference; the loss of a spouse or an illness may prevent an individual or family from maintaining a larger home .

The first step is to assess your needs and wants in a smaller home. What type of space would work best for you? Are you considering moving to a single-level home, a condominium, retirement community, or senior living facility? Identifying your housing goals will help you find a new home to best fit your needs. For example, a condominium may provide low or no maintenance living, but your green space available for gardening or pets may be limited. After you identify the best type of home for your needs, try to estimate the amount of space or square footage that you will have available. In order to find the best home to match your needs, be sure to allow plenty of time for your search, which can also help reduce anxiety. Recognize that it will take a considerable amount of time to sort through your personal items, but knowing the amount of space you will have available will help you make decisions about which items to keep and which items to sell, donate, or pass on to a friend or family member.

The task of downsizing your personal items may feel overwhelming. Do not try to tackle the whole house at one time. It is often a good idea to start with the room you use least often. Develop a sorting system that works best for you. Gather necessary supplies, such as paper and pencil (for note taking), labels, boxes, packing supplies for fragile items, tape, and markers. You may want to use colored stickers or labels to mark larger items. For smaller items, consider having several boxes labeled: sell, donate, gift, undecided, keep, and trash. As you work through the small items, place them in the appropriate box.

Downsizing is a wonderful time to declutter. As you consider the items to take with you, reflect on your new lifestyle and whether the items will still be useful in your new home. If you are considering having a yard sale, pricing the items as you go will save time later. Be realistic in pricing items, bearing in mind what another consumer would pay for a similar item in a similar condition at a yard sale. Try

not to allow personal attachment or sentimental feelings toward an item influence pricing. If you have large furniture items, antiques, or high-dollar items working with an auction company or resale shop could potentially maximize your profits. Earnings from a yard sale, consignment sale, or auction can be put toward moving expenses or updating your new home to best fit your needs.

If you begin to feel overwhelmed, shut the door, take a break, and return to the room later. You do not have to get rid of everything at one time; it might take several “passes” at a room to make decisions on certain items. Consider inviting an adult child, older grandchild, family member, or close friend to help you through the process. Revisiting your household items can be a time to share family stories and pass on family memories to the next generation. Family heirlooms often have wonderful stories that accompany them, and writing these down will ensure that the next generation will understand the importance and history of the piece. Starting this process early allows time for careful consideration of all the options and to make the best decision that will meet your future needs.

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