



Plan For Unplannable Spending

(NAPSA)—Every year, more than a million U.S. households declare bankruptcy. Most claim an unexpected event caused it: divorce, illness, or unemployment.

Financial expert Deborah Knuckey disagrees: “The one pre-



dictable thing is that something unpredictable *will* happen. Plan your finances accordingly.”

A pleasant surprise, such as a wedding across the country, or an unpleasant one, such as a repair bill, should not send your bottom line reeling, says the author of *The Ms. Spent Money Guide: Get More of What You Want with What You Earn* (Wiley, \$24.95).

“You’ll never have fun with your money if you are constantly worried about tripping up. A cash cushion insures your financial security as well as your peace of mind.”

An exercise in Knuckey’s book calculates how big your cash cushion should be. “Aim for a few months of basic expenses plus extra for other expenses, such as repairs on an old model car, or lawyers’ fees if your honey trades *you* in for a new model!”

“Money helps you chase dreams as well as handle nightmares,” she explains. “One of my students turned down his dream job because he could not afford to relocate across country.”

Insurance can cover some unpredictable events. Knuckey recommends buying disability insurance when you are young and long-term care insurance when you are over sixty.

Now is the perfect time to plan for the unplannable: “A tax refund is an ideal way to kickstart your cash cushion,” Knuckey suggests.

For more information on her book and classes, go to www.MsSpent.com.