



# When The Paycheck Stops



**An AFL-CIO Survival Guide to Unemployment**

# Taking Charge of Personal Finances

## Financial Action Plan

- 1 Prepare a Complete Household Budget
- 2 List Assets
- 3 Set Priorities
- 4 Make a List of Creditors
- 5 Notify Your Creditors
- 6 Pay What You Can
- 7 Stay in Touch with Creditors
- 8 Stop Credit Purchases
- 9 Reduce Household Expenses
- 10 Sell What You Don't Need
- 11 Check into Other Financial Resources

### Step 1 Prepare a Complete Household Budget

Getting control of your personal finances is important to survive unemployment. Use a household budget worksheet to see where you spend your money and where you can save. Do this as a family project.

Your budgeted expenses should include:

- **Fixed expenses** (mortgage, rent, taxes, insurance, loans, installment payments, credit card payments, child support and other fixed monthly payments)
- **Variable monthly expenses** (food, gas, repairs, dues, prescriptions, recreation, utilities and child care)
- **Future expenses** (income/property tax and other outstanding debts)

Your budgeted income should include:

- Income
- Savings
- Severance pay
- Union strike assistance
- Unemployment compensation
- Accrued vacation pay
- Refund from pension funds

### Step 2 List Assets

Other assets may include:

- Cash value of insurance policies
- Prepaid burial or funeral policies
- Equity in your home (the difference between the value of your home and the amount you owe on your home)
- Resale value of vehicles, boat, RV, etc.

### Step 3 Set Priorities for Your Expenses

List payments in order of importance. This will help you pay first things first when money is short.

The most important will be your mortgage or rent payment, followed by utilities, health insurance and car payments. Child support or alimony payments (if any) are also a high priority.

### Step 4 Make a Complete List of Creditors

List the following information for each creditor:

- Name, address and phone number of the contact person
- Account number

- Total amount owed
- Payment schedule and amount
- Interest rates

### Step 5 Notify Your Creditors Before You Get Behind

Determine how much you can pay regularly on each bill. If you need to negotiate a lower monthly payment than your creditors expect, notify them before you get behind.

Creditors are usually easier to work with when you let them know about your situation before a severe problem arises.

Contact creditors in writing:

- Tell them you need to work out a plan for delaying, reducing or refinancing payments until you return to work
- Always include your account number, phone number and address in all correspondence
- Keep copies of your letters and follow up by phone

### Step 6 Pay What You Can

Even if you can't pay the amount creditors want, pay something regularly.

This keeps your overdue



balance as low as possible and lets creditors know you are making a good faith effort. Partial payment may keep your account from being turned over to a collection agency.

## Step 7 Stay in Touch with Creditors

After your first letter, keep in regular contact with your creditors. This reassures them, shows a responsible attitude and may keep them from harassing you.

## IMPORTANT: Don't Ignore Your Mail!

Sometimes trouble comes because folks ignore government agency inquiries or creditor requests for information. That only makes things worse. If you do not understand notices or bills sent to you, call the person who sent the bill.

## Step 8 Stop Credit Purchases

Stop using all your credit cards. Interest on most credit purchases is extremely high. If you have advance warning that you'll be out of work, try to make larger payments to reduce the balance you owe.

## Step 9 Reduce Household Expenses

With your family, plan reductions in household expenses to stay within your budget.

To cut your **food** costs:

- Plan less expensive meal menus—use leftovers and prepare snacks from scratch
- Adjust your buying habits—only shop when you need to,

make a list and compare prices and brands

- Use coupons
- Consider other shopping options—food co-operatives, farmers' markets or going to a farm and picking your own

To cut your **telephone** bills:

- Switch to a money-saving rate plan
- Eliminate unnecessary calls (measured service charges for calls by length and time of day)
- Make fewer long-distance calls (take advantage of lower evening and weekend rates)
- Cancel electronic phone features like "call waiting"
- Discontinue cell phones, e-mail services and pagers

To cut your **energy and fuel** costs:

- Turn off lights, TV and appliances when not in use
- Cut back on the use of "power hogs" like hair dryers
- Lower the thermostat on your hot water heater and furnace, or turn up your air conditioner, and dress accordingly
- Wash and dry only full loads of clothes or dishes
- Eliminate unnecessary car trips
- Consult your local Consumer Credit Counseling Service

## Step 10 Sell What You Don't Need

Consider selling that extra vehicle or the boat and trailer you rarely use. Look at your possessions to see which items could be sold or traded without really changing the way you live.

Talk to your landlord about doing minor repairs, cutting the lawn or doing other yard maintenance in place of rent.



Sherman Zent

## Step 11 Check into Other Financial Resources

- **Life Insurance**—Review your policy or talk to your insurance agent to see whether you can borrow against your policy
- **Pension Funds**—Talk to your union representative or employer to see whether you are owed a refund on your pension fund contribution or from other company funds
- You may be able to borrow against your 401(k) or Tax Deferred Account (TDA)

Write Out Your Employment History

EMPLOYMENT HISTORY WORKSHEET

EMPLOYER  
ADDRESS

POSITION HELD  
DUTIES/SKILLS

HIRED

LEFT

SALARY

REASON FOR LEAVING

SOCIAL SECURITY

# Looking for a Job

## Job Search Action Plan

- 1 Take Stock of Yourself
- 2 Find Out Who's Hiring
- 3 Prepare for the Interview

You found the job you had.  
You can find another job.

Sometimes changing jobs can be a good thing. You may always have wanted to get into a line of work that pays better than your old job.

### Step 1 Take Stock of Yourself

- List the job skills you've developed
- List skills you may have developed off the job
- Write out your employment history, listing all your previous jobs. It will help to

remind you of the skills you can offer and in filling out job applications

- Identify the working conditions you prefer
- Determine the pay and benefits you need (though changing jobs may require a cut in pay initially):
  - ◆ The lowest pay and benefits level you will accept
  - ◆ The chances for future wage increases and/or promotions as you stay on the job
  - ◆ The costs to you of accepting the job (day care, transportation, uniform, tools)

### Step 2 Find Out Who's Hiring

- Check newspaper ads, your local job service office and employment agencies for job openings
- Tell everyone you know that you are looking for work and ask them to watch for job openings
- Follow up on all job leads

### Step 3 Prepare for the Interview

- Find out as much as you can about the employer and the job opening before you apply or are interviewed
- Check your appearance:
  - ◆ Be well groomed
  - ◆ Dress appropriately
- Take to the interview:
  - ◆ A summary sheet of your work experience, skills and education
  - ◆ Your Social Security card and driver's license
  - ◆ Citizenship documents
  - ◆ Reference list

- Consider how you might answer typical interview questions:
  - ◆ Why are you interested in working for us?
  - ◆ What is your experience?
  - ◆ What makes you think you can fill the requirements of this job?
- When filling out a job application:
  - ◆ Look over the entire form carefully, then follow all directions exactly
  - ◆ Complete the application in black or blue ink
  - ◆ Neatly print answers to all questions. If a question does not apply, write in "N/A" (not applicable) or a dash
  - ◆ Make certain that all the information you provide on the application is correct. Take your employment history to help you remember names, addresses, phone numbers, dates
  - ◆ After completing the application, double-check to see that everything is correct
- During your interview:
  - ◆ Sit up, look alert and show that you are interested in the job
  - ◆ When answering questions, be honest, to the point and confident
- Send a thank you letter to the interviewer after the interview

**Remember: It's up to you to convince the interviewer you have the skills to do the job and you want the work.**

#### FINANCIAL WORKSHEET

Amount of monthly unemployment compensation _____			
Amount of monthly rent or mortgage payments _____			
Amount of monthly utility bills _____			
Amount of food expense _____			
On all installment loans the following must be provided:			
Monthly payment _____			
Due date of loan payment _____			
Loan balance _____			
Is it secured? _____ If so by what? _____			
On home mortgages the following is necessary:			
Monthly payment _____			
Does it include taxes and insurance, if not, what is the amount of both? _____			
Balance owing on home and estimated value _____			
List all other debts with amount you owe and the required monthly payment such as:			
Doctor _____			
Dentist _____			
Charge accounts _____			
Schooling or babysitter _____			
Misc. debt or expense _____			
<b>Monthly Income During Unemployment</b>			
Salary & Wages (take home pay) first person \$ _____	Misc. labor: babysitter, housecleaning, etc. \$ _____	<b>Future Expenses</b>	
Salary & Wages (take home pay) second person \$ _____	Subscriptions \$ _____	Income Taxes \$ _____	
Other monthly income \$ _____	Dues \$ _____	Property Taxes \$ _____	
	Education/Lessons \$ _____	Insurance: life, home, auto \$ _____	
	Religious contributions \$ _____	TOTAL \$ _____	
	Charity contributions \$ _____		
	Additional expenses \$ _____	Total monthly income during unemployment for average month \$ _____	
	TOTAL \$ _____	Total monthly living expenses \$ _____	
<b>Monthly Living Expenses</b>		Total fixed monthly living expenses \$ _____	
Supermarket purchases \$ _____	<b>Fixed Monthly Payments</b>	Total future expenses \$ _____	
Automobile: fuel, repairs \$ _____	Rent or mortgage on home \$ _____	Total average monthly expenses \$ _____	
Utilities: electricity, gas, water, telephone \$ _____	Auto loans \$ _____	Leftover income or amount of additional cutbacks needed \$ _____	
Laundry & Cleaning \$ _____	Appliances, TV, furniture \$ _____		
Clothing \$ _____	Personal loans \$ _____		
Incidental expenses \$ _____	Other loans \$ _____		
Medical, dental, and prescriptions \$ _____	Bank cards \$ _____		
Adult allowances \$ _____	Other credit cards \$ _____		
Children's allowances \$ _____	Other monthly payments \$ _____		
Family Recreation \$ _____	TOTAL \$ _____		

# Surviving Unemployment

## *The World Did Not End*

We take pride in our skills. Our work provides for our families. Our jobs are a vital part of how we feel about ourselves.

That's why losing your job is traumatic—whether it means temporarily losing the entire family income or a part of it.

Unemployment is difficult and will change the way you live. But it's not the end of the world.

By knowing where to turn and taking control of your situation, you can survive unemployment and reduce the impact of temporary joblessness on your family.

## *Talk to Your Family*

Unemployment is tough on the whole family. Your spouse and children feel helpless. Talk out your problems and plan together. Explain your unemployment situation to them and include them in developing your plans to deal with it.

It helps to give each member of the family some positive steps they can take to help. By sharing the burden and pulling together, members of a family grow closer together and draw strength from one another. A professional family counselor may be helpful.

## *Turn to Your Union for Help*

Your union can help you when times are hard.

Your union representative can let you know what union, company or public benefits you may be eligible for, and advise you on how to keep your health insurance after you are laid off. Call your AFL-CIO central labor council for information on available AFL-CIO community services.

## *Get the Help You Need... You've Earned It*

While you were working, you helped to pay for public programs through your taxes, and for voluntary agency services through contributions to your local United Way or other community organizations.

So make your money work for you when you need it. We all need a little help at some time in our lives. Even companies get subsidies and tax breaks from the government during hard times. Don't be embarrassed to ask for the help you need. You paid for it. You earned it.



Linda Kahibaugh

# Getting The Help You Need

## *Your Best Resource is Your Union*

Your union representative, union counselor, AFL-CIO Community Services Liaison or labor agency has information on assistance programs and services available in your community.

They can explain the eligibility requirements, benefits, applications processes and other facts you need to know. Call your AFL-CIO central labor council for information.

## *There Are a Lot of Places to Get Help*

### **FINANCIAL ASSISTANCE PROGRAMS**

- 1 Unemployment Compensation
- 2 Trade Adjustment Assistance (TAA)/NAFTA Trade Adjustment Assistance (NAFTA-TAA)
- 3 Early Retirement (Social Security)
- 4 Temporary Assistance To Needy Families (TANF)
- 5 Supplemental Security Income (SSI)

### **EMPLOYMENT PROGRAMS AND SERVICES**

- 1 AFL-CIO Working for America Institute
- 2 State Employment Services
- 3 Pell Grants
- 4 Workforce Investment Act (WIA)
- 5 Veterans' Job Subsidy Program
- 6 College or University Placement Offices
- 7 Temporary Labor Services

### **FOOD PROGRAMS**

- 1 Food Stamps
- 2 Women, Infants and Children (WIC) Program
- 3 USDA Surplus Commodities
- 4 Emergency Food Allotments
- 5 School Breakfast and Lunch Programs
- 6 Community Meal Distribution Programs
- 7 House of Worship or Faith Ministry

### **MEDICAL ASSISTANCE PROGRAMS AND SERVICES**

- 1 Medicare (Social Security)
- 2 Medicaid (State)
- 3 Health Departments (County)
- 4 Community Health Clinics
- 5 Children's Health Insurance Programs

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