

The background of the entire image is a dark blue, semi-transparent aerial photograph of a city skyline, likely New York City, showing numerous skyscrapers and buildings. In the foreground, at the bottom of the image, there are several overlapping silhouettes of people's heads and shoulders, facing right. These silhouettes are in various shades of blue and white, representing a diverse group of individuals. The overall composition suggests a focus on urban workers and their challenges.

WHEN THE PAYCHECK STOPS

An AFL-CIO Survival Guide
to Unemployment

TAKING CHARGE OF PERSONAL FINANCES



FINANCIAL ACTION PLAN

- 1 Determine your eligibility for unemployment benefits*
- 2 Prepare a complete household budget
- 3 List assets
- 4 Set priorities for your expenses
- 5 Make a complete list of creditors
- 6 Notify your creditors before you get behind
- 7 Pay what you can
- 8 Stay in touch with creditors
- 9 Call a credit counseling agency*
- 10 Stop credit purchases
- 11 Reduce household expenses
- 12 Sell what you don't need
- 13 Check into other financial resources*

**Resources located on final page*

1

Determine Your Eligibility for Unemployment Benefits

People who lose their job through no fault of their own and have worked a certain number of hours may be eligible to receive unemployment; **eligibility requirements differ by state**. Visit www.careeronestop.org/LocalHelp/UnemploymentBenefits/unemployment-benefits.aspx to look up eligibility requirements in your state. While unemployment benefits will be significantly less than what your salary was, they still will help you get by until you land your next job.

2

Prepare a Complete Household Budget

Getting control of your personal finances is important to survive unemployment. Use a household budget worksheet available at <http://go.aficio.org./budget> to see where you spend your money and where you can save. If appropriate, include your family in developing your budget.

Your budgeted expenses should include:

- **Fixed expenses** (mortgage, rent, taxes, insurance, loan installment payments, child support and other fixed monthly payments)
- **Variable monthly expenses** (food, gas, repairs, utilities, health care expenses, recreation and child care)
- **Future expenses** (income or property tax and other outstanding debts)

Your budgeted income should include:

- Income
- Savings
- Severance pay
- Unemployment compensation
- Accrued vacation pay

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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.

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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 thing 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.

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Make a Complete List of Creditors

List the following information for each creditor:

- Company/organization, name, physical and email address, and phone number of a contact person
- Account number
- Total amount owed
- Payment schedule and interest rates

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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, determine the amount you can pay and contact them before you get behind to make arrangements for the new payment amount.

Creditors usually are 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
- When you make your follow-up phone call, record the date, time and with whom you spoke



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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.

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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. Make sure you don't ignore mail from creditors that may contain important information about your account.

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Call a Credit Counseling Agency

Nonprofit credit counseling organizations can help you create a revised household budget, identify potential areas to reduce expenses and sources of additional income, provide advice on how to work with creditors, and more. Visit unionplus.org for information on credit counseling.

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Stop Credit Purchases

Stop using all of 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.



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Reduce Household Expenses

- Adjust your buying habits—only shop when you need to, make a list, and compare prices and brands
- Use coupons
- Identify food pantries and other sources of free or lower-cost food
- Reduce cell phone plan costs, and internet and cable bills
- Reduce utility costs by:
 - Turning off lights, TV and appliances when not in use
 - Lowering the thermostat on your hot water heater and furnace, or turning up your air conditioner
 - Washing and drying only full loads of clothes or dishes
 - Calling utility companies to ask about hardship assistance
- Eliminate unnecessary car trips
- Consider getting a housemate/tenant to share household expenses

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Sell What You Don't Need

- Consider selling an extra vehicle or the boat or trailer you rarely use
- Look at your possessions to see which nonessential items could be sold or traded without significantly changing the way you live

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Check Into Other Financial Resources

- Take stock of your skills and abilities. Research opportunities, online or in your community, to earn income in the short term while determining longer-term plans (i.e., consulting or freelance work, completing online surveys, tutoring, testing products, pet sitting, making deliveries, doing handy work, etc.).
- Look into sources of financial assistance that may be available through federal and state government programs and nonprofit organizations (Supplemental Nutrition Assistance Program; Temporary Assistance to Needy Families, etc.) Visit 211.org or call 2-1-1 to identify potential sources of help in your community.
- Review your life insurance policy or talk to your insurance agent to see whether you can borrow against your policy.
- You may be able to withdraw from your 401(k), but note that if you withdraw before age 59½, you will have a 10% penalty for early withdrawal and will owe taxes on the amount you withdraw.
- Explore the possibility of listing an extra bedroom on Airbnb.

JOB SEARCH ACTION PLAN

- 1 Take stock of yourself
- 2 Find out who's hiring
- 3 Prepare for the job interview and follow up
- 4 Identify job training and education resources

You found the job you had. You can find another job. Sometimes changing jobs can be a positive thing. For example, you may have been thinking about getting into a different line of work and now have the opportunity to explore those options.

1 Take Stock of Yourself

- Create a list of job skills you've developed through work or volunteer experience
- Reflect on the type of work you enjoy doing and why—know your strengths, skills and interests
- Update your résumé to include new work experience or relevant information from the points above
- Identify working conditions that are important to you, including the pay and benefits you need to make ends meet



FOR A JOB

2 Find Out Who's Hiring

- Contact your union for help identifying other employers in your industry that are hiring
- Conduct a thorough online search for websites containing job postings
- Visit your area's American Jobs Center (www.careeronestop.org/Site/american-job-center.aspx); work with a counselor to update your résumé and connect you to employers
- Let friends, family members and former co-workers know you are looking for work and ask them to watch for job openings
- Research ideas for professional networking and do it extensively—you never know who might be in a position to help or introduce you to someone who can
- Follow up on all job leads

3 Prepare for the Job Interview and Follow Up

- Find out as much as you can about the employer, industry (if it's unfamiliar) and job opening before you apply or are interviewed
- Prepare materials you'll need to take with you, such as copies of your résumé and any documents the employer requested you bring along
- Consider how you might answer typical interview questions, such as why are you interested in working for the company or why you're the best person for the job; anticipate questions the employer might ask based on the job description and your work experience, and role play the interview with friends and family members to practice responding to questions
- Research best practices for interviewing successfully and the protocol for following up (i.e., sending thank you notes to interviewer(s))

4 Identify Job Training and Education Resources

- Research free workforce development training at your local community college
- Visit the American Jobs Center in your area to identify job training and education programs: www.careeronestop.org/Site/american-job-center.aspx



The World Did Not End

We take pride in our skills. Our work enables us to provide for ourselves and our families. Our jobs may be tied to our identity and play a vital role in how we feel about ourselves. That's why losing your job can be traumatic—whether it means temporarily losing the entire family income or just 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 for help 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 may feel helpless. Talk out your problems together and plan together. Explain your unemployment situation to them and include them in developing plans for dealing with it together.

It helps to give each member of the family some positive steps they can do. By sharing the burden and pulling together, members of a family grow closer 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 member-only benefits you may be eligible for, or help identify public benefits that may be available to you, and advise you on how to keep your health insurance in the event of a layoff. Your AFL-CIO central labor council has information about available community services.

A number of central labor councils around the country work closely with AFL-CIO/United Way Labor Liaisons and community services agencies who can help connect you to resources in your community. Visit <http://go.aflcio.org/help> to determine whether these individuals exist in your community.



UNEMPLOYMENT

Get the Help You Need

While you were working, you helped pay for public programs through your taxes, and for community agency services through contributions to your local United Way and other organizations. So make your money work for you when you need it. We all need a little help at some time in our lives—don't be embarrassed to ask for the help you need.

Online Resources for Help

Visit this **comprehensive website** with links for finding state unemployment offices, assistance with job searches, information about job training programs, and more:

- www.careeronestop.org/

Information about **unemployment insurance** and sources of other governmental assistance programs can be found here:

- www.usa.gov/unemployment
- www.usa.gov/benefits
- www.benefits.gov/

United Way, a national partner of the AFL-CIO, supports 2-1-1, a national help line that helps individuals identify assistance and support they may be eligible to receive in their community. Call 2-1-1 from any phone or visit www.211.org/.

- AFL-CIO/United Way Labor Liaisons and community services agencies are knowledgeable about the resources available to families facing financial hardship. Visit this link to determine whether these individuals exist in your community: <http://go.aflcio.org/help>

UnionPlus, a partner of the AFL-CIO, is a consumer benefits program for union members and offers specific programs to assist members in times of financial hardship. Visit these websites for additional information:

- www.unionplus.org/ and click on link for “Hardship Help” on webpage
- www.unionplus.org/hardship-help/credit-counseling to access Money Management International, which works with UnionPlus to provide budgeting and credit counseling assistance to union members

Websites for **career exploration**:

- www.myskillsmyfuture.org
- www.mynextmove.org

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