

## SURVIVING JOB LOSS



It's never a good time to lose your job. However, the current economic environment has resulted in business closures, downsizing and layoffs for many Americans. The unemployment rate hovers near 5 percent with recent graduates preparing to flood the market.

Family Foundations offers the following tips for surviving a layoff, should one occur:

- **Allow yourself to be upset or even afraid.** These are natural reactions. However, should they become intense, be willing to seek professional help. Talking things through and hearing another person's perspective can bring relief and restore your positive outlook.
- **Resist the urge to tell your boss what you truly think of him or her.** Remember, you may need him or her as a reference for a future job.
- **Take advantage of any assistance your workplace offers.** Many companies provide placement assistance, job retraining and severance packages. Make sure you are aware of all benefits offered.
- **Apply for any applicable government benefits.** Your HR representative at work will be a good resource.
- **Resist the urge to solve your problems by spending recklessly.** It may feel good for the moment, but the high of spending won't equal the low of dealing with additional debt when there is no income.
- **Don't be tempted to live off of your credit cards.** Someone with a good line of credit could actually support the family at the current standard of living by using credit, but there's no guarantee a new position will materialize any time soon. One rule of thumb job counselors use is to expect one month of job search for each \$10,000 of annual income you hope to replace. In other words, if you seek a \$50,000 salary, it may take you five months to land that job.
- **Take a personal inventory.** Consider all assets, income and expenses. Hopefully, you will not have to liquidate any assets to survive, but it is good to know what you have to fall back on.
- **Drastic times call for drastic measures.** Nothing is off-limits. If necessary, consider selling the second car, or any recreational vehicles, real estate holdings, rental properties or jewelry.

- **After reviewing income versus debt obligations**, if there is not enough money to make ends meet, calculate how much is needed to meet the basic household living expenses. Your goal is to pay everyone, but if you must make a choice, keep your home-life stable by paying your rent or mortgage, utilities, childcare, insurance premiums, health care, food and keeping gas in the car.
- **Have a family meeting that includes the children.** You don't want people pulling in different directions, and a joint effort yields a greater result. Make cutbacks wherever possible, knowing that this austere lifestyle will only be temporary. Resolve to stop all non-essential spending immediately.
- **Tracking your spending is always a good idea**, but when money is tight, it's essential. Write down every cent you spend. At the end of 30 days, review where the money went and make conscious decisions on where to cut back. You'll be amazed by how much you can save and not even feel the pinch.
- **Contact your creditors to arrange lower payments.** Most major credit card issuers have in-house help programs. Explain your situation and what you're doing to resolve it. The creditor may be able to temporarily lower your monthly payment and reduce interest.
- **Call your mortgage lender or servicer and inform them of your situation.** Be prepared to provide them with documentation of the setback, and have a resolution plan in mind. Since the average consumer doesn't know all of the loan modifications available, it is smart to first sit down with a certified housing counselor and map out a plan. This way, you'll know that you've selected the option that is best suited to your situation.

**Family Foundations** stands ready to help. To reach us, call (904) 396-4846 or go online to [www.familyfoundations.org](http://www.familyfoundations.org).

### **About Family Foundations**

You don't have to solve your financial problems alone. Family Foundations has trained and certified credit counselors who offer financial management and debt reduction services. Family Foundations is a nonprofit, community-based organization and a Member of the National Foundations for Credit Counseling (NFCC). For more information on Family Foundations, call (904) 396-4846 or visit [www.familyfoundations.org](http://www.familyfoundations.org).