

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, community services committee or EAP 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.

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.



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

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
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.
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.

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

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

6. ***Pay What You Can*** – Even if you can't pay the amount creditors want, pay something regularly. This keeps your overdue balances 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.

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.

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.

9. ***Reduce Household Expenses*** – With your family, plan reductions in household expenses to stay within your budget. To cut **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

- 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.

Monthly Income		Monthly Expenses	
Your Pay	\$	Rent or Mortgage	\$
Spouse's Pay	\$	Utilities (Phone, gas, electric, cable, etc.)	\$
Bonuses	\$	Insurance (home, auto, life, health, etc.)	\$
Commissions	\$	Food	\$
Tips	\$	Incidental Home (paper products, non-food items, etc.)	\$
Interest Received	\$	Clothing	\$
Investment Earnings	\$	Auto (gas, tolls, maintenance)	\$
Rental Income	\$	Debt Payments (auto, credit cards, store cards, etc.)	\$
Pension Income	\$	Child Care	\$
Social Security Income	\$	Health (medical, dental, eye, etc./not covered by insurance)	\$
Alimony Received	\$	Taxes (not taken out of paycheck)	\$
Child Support Received	\$	Gifts (charities, church, holidays, birthdays, etc.)	\$
Other Income	\$	Entertainment (movies, vacation, videos, etc.)	\$
	\$	Personal Allowances	\$
	\$	Other Expenses	\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
	\$		\$
Totals	\$		\$

CREDIT PROTECTION LAWS

Truth In Lending Act



- Requires disclosure of cost requirements for the APR (annual percentage rate and the dollar amount of finance charges).
- Requires loan terms and conditions be disclosed.
- Regulates how credit terms are advertised.
- Prohibits sending unrequested credit cards by card issuers.
- Limits the liability of unauthorized use to \$50 per card for the card holder.

Fair Credit Reporting Act

- Requires the disclosure of the name and address of any consumer reporting agency which provides credit reports used to deny credit, insurance or employment.
- Provides the consumer with the right to know what is in his/her file; have incorrect information investigated and removed and allows the consumer to include a 100-word statement in the file explaining the situation.
- Requires that a consumer's statement of disputed items be sent by the credit reporting agency to businesses or creditors. 1997 rules require more reporting requirements for stores, banks and credit agencies.
- Requires identification of consumers wishing to inspect their credit file.
- Requires when an investigation or information request is made of a credit file, the consumer be notified.
- Limits the length of time credit information may be maintained in a file.

Fair Debt collection Practices Act

- Prohibits debt collectors from using abusive, deceptive, and unfair collection practices.
- Establishes procedures debt collectors must use in contacting the debtor/credit user.
- Limits contracts with a third party by debt collectors.
- Establishes how a payment on several debts be applied and that no monies are applied to a debt in dispute.

Fair Credit Billing Act

- Establishes procedures to be followed when billing errors occur on revolving credit statements.
- Requires creditors to send to consumers a periodic statement which outlines billing error procedures.

- Allows consumers to withhold credit card payments for faulty goods or services when purchased with a credit card. You must have made the purchase within 100 miles of your home and the item costs more than \$50.
- Requires creditors to credit the customer's account promptly and to return overpayments, if requested.

Equal Credit Opportunity Act

- Prohibits creditors from discrimination against credit applicants based on sex, race, marital status, national origin, religion, age or the receipt of public assistance.
- Prohibits the re-application for credit upon change of marital status.
- Requires creditors to contact applicants within 30 days of receiving a completed application with notification of rejection or acceptance.
- Requires creditors to report credit card payment histories on both the names of husband and wife, if both use and are liable for the account.



DO YOU NEED TO SEE A CREDIT COUNSELOR?

If you are debating the need to see a credit counselor, you may want to consider the following questions:

1. Are you behind on your house payments? Yes No
2. Are you behind on your utility bills or threatened with shut-off notices? Yes No
3. Do you have high outstanding charge card balances and unable to make monthly payments? Yes No
4. Do you feel your credit obligations are so high that it is difficult to have money for food, clothing, and children's expenses? Yes No
5. Are creditors sending second reminders, collection notices or threatening court action? Yes No
6. Do you and your spouse frequently disagree on how money should be spent? Yes No
7. Do you feel you have lost control of the family spending? Yes No
8. Do you only pay the minimum balances on your credit cards? Yes No
9. Have you taken cash advances to pay on other bills more than once? Yes No

If the answer is yes to one or more of these questions, you will benefit from seeing a credit counselor. If you would like information please contact Consumer Credit Counseling Service at ***1-800-547-5005***.



SAMPLE LETTER TO CREDITORS

Date

Creditor Name
Address

RE: Account Number

Dear (Creditor Name):

I am writing this letter to request a temporary change in the repayment terms of my account. Since I have become unemployed, I have had to make some financial adjustments.

I am receiving \$200.00 per week in strike benefits. After carefully examining my financial situation, I find it necessary to request that you accept a reduced payment.

Please accept the following payment plan. In place of my regular payment of \$_____ due on the _____, I am requesting that you accept payment of \$_____ to be paid on the _____. I assure you that I will add no further debt until my financial situation improves.

I will begin making normal payments again as soon as possible. I regret having to ask for this consideration and hope that you will understand. When there is a change in my situation, I will notify you immediately.

Your understanding during this difficult time is most appreciated.

Sincerely,

(Signature)

Name printed

LOOKING FOR A JOB

Job Search Action Plan

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



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)



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

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 the 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.

WHERE TO GO FOR HELP

Financial Assistance Programs

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

Employment Programs and Services

1. State Employment Services
2. Pell Grants
3. Workforce Investment Act (WIA)
4. Veteran's Job Subsidy Program
5. College or University Placement Offices
6. 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

The local union Community Services Committee, in cooperation with the International's Community Services Department, is responsible for mobilizing the resources of the union and the community to meet the health and welfare needs of UAW members and their families. Among the main responsibilities of the Community Services Committee is identifying those key agencies, including governmental, private and nonprofit, that can provide needed services; determining eligibility requirements and developing a counseling and referral service.

Our members should not be reluctant to utilize these community programs and services. After all, union members support these agencies financially through our tax dollars as well as contributions to the United Way and other agencies.

In solidarity,

*Ron Gettelfinger
UAW President*



**UAW Community Services Department
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