

# Financial guidelines for dealing with job loss

Reports show that U.S. unemployment hovers over nine percent – meaning over 14 million people are out of work. To put this into perspective, that number is more than the combined population of the 12 smallest U.S. states.

Never losing sight of the real people behind the numbers, LSS Financial Counseling (a partner of Everence) offers the following guidelines for surviving a layoff.

- **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.
- **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 company's human resources representative should be

a good resource. Stay up-to-date on benefits changes for which you may be eligible.

- **Update your resume.** If you've been at your current job for a while, you may need professional help to bring your resume current. Today resumes are often reviewed by computers and scanned for key words, so you'll want to be certain to reflect your skills in the way that benefits you most.
- **Make finding a job your new full-time job.** Get up every day, get dressed appropriate for the job you seek, and from 9 a.m. until 5 p.m., look for a new job. This search may be online, networking or calling on prospective employers, but the important thing is that you put yourself at the front of the line.
- **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. Further, new credit is hard to come by, so use your existing credit lines wisely.



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- **Don't be tempted to live off of your credit cards.** Someone with a good line of credit could actually maintain a families current standard of living by using credit, but there's no guarantee a new position will materialize any time soon. One rule of thumb that job counselors use: 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 how much 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.
- **Review 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, buying 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 be temporary. Resolve to stop all nonessential 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 your interest rate.
- **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.

“The numbers are brutal, and we must realize that no one is immune to a layoff. When stalwarts of the American economy lay off workers by the thousands, it is serious for our nation as a whole. Financial setbacks are never easy, but with help, most can survive unscathed,” said Gail Cunningham, spokesperson for National Foundation for Credit Counseling. “Reaching out to a trained and certified credit counselor can be one of the smartest steps a person can take during times of financial distress. Don't bury your head in the sand. Seek help early.”

You don't have to solve your financial problems alone. Everence has a partnership with LSS Financial Counseling to offer you confidential budget and debt counseling from a certified credit counselor (up to six sessions) at no cost. Call toll-free (877) 809-0039 to use this service.

LSS Financial Counseling is certified by the National Foundation for Credit Counseling, the largest and longest serving national nonprofit credit counseling organization in the U.S.