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When the Paycheck Stops: An AFL-CIO Survival Guide to Unemployment

AFL-CIO

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When the Paycheck Stops: An AFL-CIO Survival Guide to Unemployment

Abstract
This brochure: When the Paycheck Stops: An AFL-CIO Survival Guide to Unemployment, lists resources, advice, and tips on surviving when a worker experiences a loss of employment.

Keywords
unions, labor movement, organizing, representation, AFL-CIO, unemployment, resources

Comments
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Surviving Unemployment

When The Paycheck Stops

An AFL-CIO Survival Guide to 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.

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.

Turn to Your Union for Help

Your union can help you when times are hard. Your union representatives 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.

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.

Your Best Resource is Your Union

Your union representative, AFL-CIO community services liaison, labor agency representative, or UCAN activist has information on assistance programs and services available to your community. They can explain the eligibility requirements, benefits, application processes and other facts you need to know. Call your AFL-CIO central labor council for information.

Online Resources for Help

- www.workingforamerica.org
- The People Who Help—www.aflcio.org
- When the Paycheck Stops Manual—www.aflcio.org
- When the Paycheck Stops Brochure (English)—www.aflcio.org
- When the Paycheck Stops Brochure (Spanish)—www.aflcio.org
- National Employment Law Project’s website for unemployed workers—www.unemploymentcenter.org
- Unemployment Compensation—www.aces.illas.gov
- Trade Adjustment Assistance (TAA)—www.alleys.gov/realism/TAAP/TA_index.cfm
- America’s Service Locator (to find the closest one-stop center)—www.servicelocator.org

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When the Paycheck Stops

An AFL-CIO Survival Guide to Unemployment
Step 1 Prepare a Complete Household Budget

Getting control of your personal finances is important to secure your future. A short budget worksheet would be useful to see where you spend your money. To help you get started, the following list may be a family project.

Your budgeted expenses should include:

- Fixed expenses (mortgage, rent, taxes, insurance, loans, installation payments, credit card payments, child support and other fixed monthly payments)
- Variable monthly expenses (food, gas, repairs, diets, prescriptions, recreation and child care)
- Future expenses (income property tax and other outstanding debt)

Your budgeted income should include:

- Income
- Savings
- Payment on other assistance
- Unemployment compensation
- Unearned income
- Refund from previous taxes

Step 2 List Assets

Other assets may include:

- Cash value of insurance
- Prepaid burial or funeral
- Equity in your home (difference between the value of your home and the amount you owe on your mortgage)

Step 3 Set Priorities for Your Expenses

List payments in order of importance. You will help you pay first those things that are essential. The most important will be mortgage or rent, utility payments followed by utilities, health care, insurance and other essentials. Child support or alimony are also extremely high priority.

Step 4 Make a Complete List of Creditors

List the following information for each creditor:

- Name 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 Fired

Determine how much you can pay regularly on each bill. If you need to negotiate a lower monthly payment than your creditors require, negotiate them before you get fired. Creditors are usually easier to negotiate with when you know about your situation before they want to talk. Contact creditors in writing:

- Tell your creditors you need to work out a plan to pay your bills
- Tell them you need to work out a plan until you return to work
- Always include your account number, phone number and occupation

Keep copies of your letters and follow up by phone

Step 6 Stop Pay 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 lose your job, try to make larger payments to reduce the balance you owe.

Step 7 Pay What You Can

Even if you can’t pay the amount owed, pay something regularly.

Step 8 Stop Work 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 lose your job, try to make larger payments to reduce the balance you owe.

Step 9 Reduce Household Expenses

With your family, plan reduc- tions in all household expenses to stay within your budget.

To cut your food costs:

- Plan less expensive menus—use leftovers and prepare meals from scratch

This keeps your current expenses below what you can afford 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 you are responsible about your debt and may keep them from harassing you.

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Job Search Action Plan

1. Take Stock of Yourself

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

- Check newspaper ad, your local job service office and employment agencies for job openings

2. Find Out Who’s Hiring

- List the job skills you’re looking for

- List skills you may have developed off the job

- Write out your employment history for previous jobs. It will help to remind you of the skills you can offer and in filling out job applications

3. Prepare

- After reading skills for previous jobs
- When filling out a job application, don’t list everything you’ve ever done. Be honest, be concise

Send a thank you letter to the interviewer after the interview

Step 1 Check into Financial Resources

- Life insurance—Review your policy to see if you are covered for the type of insurance you need.

- Pension Funds—Talk to your union representative or employer to see whether you are covered in a pension plan

- Bank accounts—Check to see that the savings accounts, checking accounts and money market accounts meet your needs

- Creditors—Conduct a credit report before accepting a job your income and employment history to determine the qualifications you need to submit

- Checks to the interviewer

- A summary sheet of your work experience, skills and education

- Work site security card

- Citizenship document

- Resume

- Consider how you might create your own job search plan

- Your job search plan (what you are expected to do, what you will do, what you will be responsible for)

- Which job (day care, transportation, uniform, food)

- The chances for future wage increases and promotions

- The chances for future promotions and salary increases

- You may be able to borrow some money from your stock options

- You can make a difference.

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- You can find another job.

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