



FOR IMMEDIATE RELEASE

FACING REALITY AFTER A LAYOFF

Loss of a job can have a tremendous effect on a family's finances. Often times a layoff leaves a person with a mixture of emotions ranging from a sense of failure to anxiety. Anxiety over how they will provide for their family while they are unemployed. If you find yourself unprepared for a financial crisis, Chuck Stanley of Consumer Credit Counseling Services, a division of Money Management International, offers the following advice.

- Assess your situation and set-up a survival budget. Determine (1) the amount of take-home income you can realistically count on, (2) your set monthly payments such as housing, vehicles, and insurance, and (3) your current variable expenses such as costs for food, utilities, and gasoline. Don't forget to consider periodic expenses such as auto registration, insurance, or school tuition.
- It's a Family Affair. Communicate openly with your family. Ask them to assist you in reviewing where the money goes and determining what areas can be trimmed. This keeps everyone involved and provides support during times of crisis. Trimming luxuries such as cable TV, cell phones, and dinners out can help make ends meet during this turbulent time. You must stop spending money on anything but the bare necessities. Consider selling assets to keep afloat.
- Communicate with Creditors. Before you fall behind on your bills, let your creditors know your situation. They may have programs to help you through the period of unemployment. Try to realistically determine how long your income will be reduced and when you might rejoin the workforce. Create a plan for repaying your debt to each creditor by determining a reasonable amount to pay each month. It is best to contact your creditors before they have to contact you. Mail a letter to each of the creditors explaining your situation and how you plan to repay your debt. Remember that not all of your debts equally impact your family, so contact the higher priority creditors first. If internal programs are not available, they may refer you to a non-profit counseling agency.
- Stop charging and overextending yourself. You will not get out of this problem by attempting to get more credit. If you know that the income interruption is only temporary, then a small loan to tide you over may be appropriate.
- The best strategy for dealing with layoffs is planning in advance. Emergency savings, good spending habits and manageable debts can provide you with the financial resources to survive a period of reduced income. Build a plan before disasters occur.

Free financial planning assistance such as debt to income ratio and loan payoff calculators can be found on Money Management International's website at

<http://www.moneymanagement.org/FinancialTools/>.