

What To Do If You Lose Your Job

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Losing a job is traumatic, whether it means loss of the entire family income or a second income upon which your family's standard of living depends. Is there anything you can do to ease the burden of such a crisis? Definitely yes.

Once you're over the initial shock, don't panic. Don't blame yourself or think the world has come to an end. Don't blame your spouse for what has happened or take out your frustrations on your family. Don't stop making all credit payments, or ignore the fact you are now unemployed.

Do begin to make plans for finding new employment.

Financial affairs are still in the family's control. The following guide will help you maintain present resources and survive the financial crisis.



Communication is a Family Affair

Include your family in the decisions that must be made. As a family, discuss how income is spent, what is important and what is not so important. What must the family have in the next week, the next month, the next two months?

Communication helps the family share concerns and decide what alternatives are available and what actions are necessary.

Communication also means listening. This is not easy for many people, yet it is a skill that can be learned.

Active listening includes giving full attention to understanding the feelings of another person. Remember your whole family probably is upset. Accusing one another of being responsible for the problem won't help anyone.

FIRST THINGS FIRST File for Unemployment Benefits

If you are not working, write, call, or visit the Employment Division office nearest your home (look in the telephone directory under Oregon, State of). They will give you information on how, when, and where to file your claim. If you are eligible for benefits, your

first check will be mailed to you in about three weeks. Need does not determine eligibility for benefits.

The unemployment insurance program is financed by employers to pay benefits to workers who are unemployed because of conditions beyond their control (such as weather or the economy).

If for any reason you are denied benefits, you may want to check with the appropriate social agency for information on possible financial assistance under some other type of program.

In addition to unemployment insurance, the Employment Division provides free job testing, counseling, and placement services. Seek out these services, whether or not you are eligible for benefits.

Oregon State University
Extension Service

EC 1059
Revised April 1982

THINK ABOUT HOW YOU OR YOUR FAMILY USE MONEY

- Is there a “get even” philosophy that results in overspending or running up the bills with credit cards?

- Is there compulsive buying, because “tomorrow it may not be so cheap,” or because “we might be even less able to afford it then,” even though the item is not needed?

- Is money withheld as a punishment or used as a bribe?

- Is money spent as a way to work off frustration or to ease boredom or anxiety?

Now is the time to abandon such self-defeating actions. Now is the time to tighten the purse strings and eliminate needless spending. Set the family up for success, not failure, by thinking positively. Remember, don't use money to play games with yourself and your family.

Your immediate goal is to survive financially and emotionally until future goals are decided. Whether or not unemployment benefits are available, the family's income will be drastically reduced.

Discuss what your family really needs and what they would like to have. Postpone buying what the family would like and does not need now. All fixed expenses, such as rent or mortgage payments, installment payments, insurance premiums and any other payments due on a specific date must be paid. Flexible expenses usually include food, vacation, and recreation, areas

in which the family can make choices. These expenses can be reduced by eliminating waste or unnecessary expenditures.

One of the most difficult things about being unemployed is to realize your family cannot spend as much as it did. Pretending to yourself and to others that nothing has changed will not make it easier. Spending less is a must.

Take a Financial Inventory—Now

How much does the family own? Take a few minutes to calculate your family's net worth—the result just might boost your spirit. Add up the total value of all your belongings and deduct from the figure the amount you owe. Remember to calculate everything owned at *current* market prices, not the original price.

Where to Cut Corners?

To balance your budget and reduce spending, you have to know exactly how much money you have coming in and going out. Take all the check stubs and receipts and estimate what is spent on flexible expenses—those expenses incurred after you pay for housing, installments, insurance, taxes, and other bills. You may find that your family doesn't have a clear picture of where the money is going. In that case try to:

- Write down every item on which money is spent for two or three weeks. Also, note your mood or that of any other family member when making a purchase.

- Put a lid on your spending.
- Agree within your family that every purchase over a certain amount will be brought to the family for discussion prior to purchase.

- Look for upcoming bills, such as an insurance payment due twice a year.

- Make a shopping list and weigh the importance of each item. Reduce the number of shopping trips.

CHECK DEBTS/BILLS

Do You Have Any Outstanding Loans?

Don't ignore bills. Immediately contact your finance company, bank, credit union, and department stores about revolving charge accounts and installment loans, and make an appointment to explain your problem. Here are some solutions your family and your creditors might work out:

- Work out smaller payments for a short period.

- Refinance the loan, that is, make another contract for smaller payments over a longer period of time. New payments will be smaller in size but the overall costs for the loan will be larger.

- If there is a consumer credit counseling service in your area, contact them. They provide counseling to families on debt problems. (See list on back page.)

- If all else fails, a consolidation loan may be considered. You take out one loan, pay off all bills at once, and then have one debt to pay off to just one creditor (usually extending over a longer period of time). Again, each payment will be smaller, but you will commit yourself for a longer period of time, usually at a higher total cost.

What About Monthly Mortgage Payments?

Are they too high for you to pay? Go to your lender and ask the officer in the mortgage lending department that you be permitted to pay interest only for a certain period of time, or postpone one or two payments until you have pulled yourself out of your financial crisis.

What About Insurance Premiums?

Now that you're unemployed, it is especially important to think of insurance coverage for your family.

Check your existing permanent life insurance policy or call your agent. In many life insurance contracts there is a so-called automatic premium loan clause. This clause says the company will deduct from the cash value of your policy or use your dividends to pay premium.

Chances are that you were insured under your employer's group health and accident and life insurance plan. In most cases, your group policy will allow a 30-day grace period after you leave the company. You will be permitted to reapply for insurance within this period of time. You will not be asked to undergo a medical examination, but the premiums for your individual policy will be higher. The premium will be adjusted according to your age and the type of policy. Check with an insurance agent as soon as possible. Do not forget to evaluate any permanent insurance your family has.

USE SAVINGS If Cash is Required

Use emergency savings or take out a loan if you can get one. This will depend on your individual circumstances, but there are some disadvantages either way.

When you take money from your savings account it will no longer earn interest. If you take out a loan, you pay interest for the privilege of using someone else's money.

Another solution might be a passbook loan. You'll lose interest on the savings account and pay interest in addition, but the total cost might be less than the interest on another type of loan.

If the family decides to withdraw money from a savings account, take money from a regular account first and leave any certificates of deposit untouched. You'll lose interest on the certificates if you cash them in before they mature.

In any case, think carefully about taking on any additional debt while you're unemployed.

TURN TO SOCIAL AGENCIES*

If you are not eligible for unemployment benefits or benefits are insufficient, contact the Adult

and Family Services Department or the Human Resources Department. (Look in the telephone directory under Oregon, State of). Several programs such as Food Stamps and Medicaid, are available for families needing financial aid.

If you want to find out if you are eligible for food stamps, apply to your county food stamp program. Eligibility is determined by your family's financial resources and family income.

When you apply for the Food Stamp program, take this information along:

- Rent receipts
- House payment book
- Utility bills
- Proof of income for all working members of household, including all benefits such as Social Security, public assistance and unemployment benefits
- Bank books, or any papers showing what you have in savings
- Proof of medical bills (doctor, hospital, etc.).

*Note: These are general guidelines. Particular details may be subject to changes based on new state and/or federal regulations.

REMEMBER, WHEN YOU LOSE YOUR JOB—

- You can still control your financial situation, if you plan carefully.
- File a claim for unemployment insurance benefits.
- Communicate with your family. Analyze what is important and as a family decide on a plan of action.
- Don't default on payments. Go to your creditors, explain your situation, and work with them to make adjustments.
- Be prepared to change your standard of living, at least temporarily, so you don't give up essentials.
- Begin to make plans for finding new employment.

OREGON CONSUMER CREDIT COUNSELING SERVICES**

Consumer Credit Counseling
Service of Linn-Benton, Inc.
201 West 1st
P. O. Box 1006
Albany, Ore. 97321
Betty Lou Downing, Executive
Director
Tel: (503) 926-5843

Consumer Credit Counseling
Service of Josephine County, Inc.
1103 N.E. 7th Street
Grants Pass, Ore. 97526
Reg J. Ward, Director
Tel: (503) 479-6002

Consumer Credit Counseling
Service of Central Oregon, Inc.
47 N.W. Oregon Ave.
Bend, Ore. 97701
Myra Hollibaugh, Executive
Director
Tel: (503) 389-6181

Consumer Credit Counseling
Service of Southern Oregon, Inc.
Room #4, Brophy Building
10 North Central
Medford, Ore. 97501
Mrs. Lana Bromilow, Executive
Director
Tel: (503) 779-2273

Branch Office:
CCCS of Klamath Falls
Mrs. Lana Bromilow, Executive
Director
Tel: (503) 779-2273 or 884-5193

Consumer Credit Counseling
Service of Oregon, Inc.
3420 S.E. Powell Boulevard
Portland, Ore.
Mailing: P.O. Box 42155
Portland, Ore. 97242
Harry W. Strain, Executive
Director
Tel: (503) 232-8139

Consumer Credit Counseling
Service of Roseburg, Inc.
P.O. Box 1011
Roseburg, Ore. 97470
Shirley Pitner, Executive Director
Tel: (503) 673-3104

Consumer Credit Counseling
Service of Mid-Willamette Valley,
Inc.
665 Cottage St., N.E.
Salem, Ore. 97301
Pat Dunlap, Executive Director
Tel: (503) 581-7301

Consumer Credit Counseling
Service of Eugene, Inc.
110 East 16th
Eugene, Ore. 97401
Evelyn Smith, Manager
Tel: (503) 342-4459

Coos-Curry Consumer Credit
Counseling Service
Pony Village
North Bend, Ore. 97459
Jessie DeNoma, Executive Director
Tel: (503) 756-4008

** These are non-profit counseling agencies. They do not lend money. They provide advice and counsel, without charge, about credit problems. There may be similar counseling available through other non-profit organizations such as churches or family counseling agencies.

Occasionally there will be an advertisement for credit counseling, but the purpose is not really to provide counseling. The purpose is to get your business: either to loan you money or to file a bankruptcy. Be suspicious of a credit counselor who is trying to loan you money or file a bankruptcy.

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Extension's home economics program provides educational opportunities to enable individuals to function more productively in families and communities. Professionals and trained volunteers teach programs for action in money management and consumer practices; nutrition and food management; energy, housing, and clothing decisions; child rearing and family relationships; public policy education; and leadership development.

This publication was reprinted from a Northeast Management/ Consumer Education Guide, a joint effort among the Cooperative Extension Services of the Northeast States and the District of Columbia. Adapted for use in Oregon by Alice Mills Morrow, Extension family economics and public policy education specialist, Oregon State University.

Extension Service, Oregon State University, Corvallis, Henry A. Wadsworth, director. This publication was produced and distributed in furtherance of the Acts of Congress of May 8 and June 30, 1914. Extension work is a cooperative program of Oregon State University, the U.S. Department of Agriculture, and Oregon counties.

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