



NATIONAL FOUNDATION FOR
CREDIT COUNSELING

*Knowing the difference can
make all the difference.*

NFCC PRESS RELEASE

For Immediate Release

July 29, 2010

Contact:

Gail Cunningham

(940) 691-6322 - direct

(240) 672-2700 – cell

gcunningham@nfcc.org

ADVANCE PREPARATION CAN EASE THE FINANCIAL PAIN OF JOB LOSS

Silver Spring, MD - With millions of Americans unemployed, some for an extended period of time, those who currently have a job would be well-served by remembering the Scouting Motto: Be Prepared. If you haven't been a victim of a layoff, it is highly likely that someone you know has. Let this grim reality serve as an incentive to get your financial ducks in a row in case you're the next one to find a pink slip in the mailbox.

The National Foundation for Credit Counseling recommends that consumers take the following steps to solidify their financial footing before a job loss becomes a reality in their life:

- **Don't be caught off-guard.** Listen to the buzz around the water cooler. You don't want to be the last to know about a pending layoff at your place of employment.
- **Make yourself indispensable at work.** Come in early and stay late. Volunteer for special projects. Get face-time with your boss. Doing these things is not a guarantee that you will survive a layoff, but they are a step in the right direction.
- **Update your resume.** If you've been at your current job for a while, you may need professional help bringing 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.
- **Become familiar with the job loss assistance your workplace offers.** Many companies provide placement assistance, job retraining and severance packages. Make sure you are aware of all benefits offered, thus placing yourself first in line if the bad news comes.
- **Familiarize yourself with any applicable government benefits.** Your HR representative at work should be a good resource. Stay up-to-date on benefits changes for which you may be eligible.
- **Address any current medical issues and research medical insurance options.** If you've been delaying having that tooth filled or your annual checkup, be sure to take advantage of insurance coverage while you still have it. The loss of medical insurance can be devastating. If you're married, you may be able to be covered by your spouse's insurance, but knowing this in advance will make the transition easier. Also inquire about COBRA. This is a costly option, but is better than going without health insurance.

-more-

- **Track your spending.** The only way you can know where your hard-earned money is going is to write down every cent you spend. Do this for at least 30 days. The goal is to discover any leaks and plug them so that you can begin socking money away for the time when you may not have it.
- **Have adequate savings.** Americans should ask themselves how they paid for their last emergency. If it was with a credit card, that's a red flag. Begin putting at least 10 percent of each paycheck into a savings account. If you receive any windfall money, pretend it never happened and deposit it into your savings account.
- **Create a budget.** Budget is not a four-letter word. If it helps, call it a spending plan. The point is to be in charge of your money, not the other way around. After you've tracked your spending, you'll be able to assign dollar amounts to each spending category. This results in using your money to your best advantage
- **Involve your family.** Make all financial decisions family decisions, and your likelihood of success will increase dramatically. Talk about everything from the bills to the budget. The home is a great place to teach your children about financial issues, including the inevitable problems. Remembering when Mom and Dad worked through the hard times will be a nice cushion when it's their turn.
- **Get your credit report.** Review it for accuracy and address any errors. Why? Many employers now pull credit reports as a part of the interviewing process. You don't want errors on your credit report or old unpaid bills to stand between you and that new job. Consumers are allowed one free credit report from each of the three bureaus every 12 months from www.annualcreditreport.com.
- **Pay down debt.** Find the money to dedicate to debt reduction by learning to live below your means. If you've created a lifestyle that is not realistic for your income, it's going to involve some serious adjustments. Additionally, you may need to take on a second job and dedicate that paycheck to debt reduction. As burdensome as that may sound, becoming debt free has tremendous perks: it frees you from worry, allows you to build your savings account, begin investing and meet your financial goals. If you were to lose your job, your ability to service your debt obligations would obviously be compromised. Pay down debt while you still have the income to do so.
- **Reach out for help.** Take action at the first hint that you may be the next one in the unemployment line. Delaying only makes it harder to find a solution. There are many reputable credit counseling agencies with trained and certified counselors waiting to help you. Be prepared by sitting down with a counselor and get your finances in order *before* trouble strikes. To be automatically connected to the NFCC Member Agency closest to you, dial (800) 388-2227, or go online to www.DebtAdvice.org. For assistance in Spanish, call (800) 682-9832.

“Implementing the above tips puts the consumer in a sound financial position whether they experience job loss or not,” said Gail Cunningham, spokesperson for the NFCC. “But being prepared in advance of the stressful situation will provide much-needed relief should it occur.”

- 30 -

The National Foundation for Credit Counseling (NFCC), founded in 1951, is the nation's largest and longest serving national nonprofit credit counseling organization. The NFCC's mission is to promote the national agenda for financially responsible behavior and build capacity for its Members to deliver the highest quality financial education and counseling services. NFCC Members annually help four million consumers through close to 830 community-based offices nationwide. For free and affordable confidential advice through a reputable NFCC Member, call (800) 388-2227, (en Español (800) 682-9832) or visit www.nfcc.org. Visit us on Facebook at <http://www.facebook.com/NFCCDebtAdvice> and on Twitter at <http://twitter.com/NFCCDebtAdvice>.