1. **Determine Your Eligibility for Unemployment Benefits**

People who lose their job through no fault of their own and have worked a certain number of hours may be eligible to receive unemployment; eligibility requirements differ by state. Visit [www.careeronestop.org/LocalHelp/UnemploymentBenefits/unemployment-benefits.aspx](http://www.careeronestop.org/LocalHelp/UnemploymentBenefits/unemployment-benefits.aspx) to look up eligibility requirements in your state. While unemployment benefits will be significantly less than what your salary was, they still will help you get by until you land your next job.

2. **Prepare a Complete Household Budget**

Getting control of your personal finances is important to survive unemployment. Use a household budget worksheet available at [http://go.aflcio.org/budget](http://go.aflcio.org/budget) to see where you spend your money and where you can save. If appropriate, include your family in developing your budget.

Your budgeted expenses should include:
- **Fixed expenses** (mortgage, rent, taxes, insurance, loan installment payments, child support and other fixed monthly payments)
- **Variable monthly expenses** (food, gas, repairs, utilities, health care expenses, recreation and child care)
- **Future expenses** (income or property tax and other outstanding debts)

Your budgeted income should include:
- Income
- Savings
- Severance pay
- Unemployment compensation
- Accrued vacation pay

3. **List Assets**

Other assets may include:
- Cash value of insurance policies
- Prepaid burial or funeral policies
- Equity in your home (the difference between the value of your home and the amount you owe on your home)
- Resale value of vehicles, boat, RV, etc.

4. **Set Priorities for Your Expenses**

List payments in order of importance. This will help you pay first things first when money is short.

The most important thing will be your mortgage or rent payment, followed by utilities, health insurance and car payments. Child support or alimony payments (if any) are also a high priority.

5. **Make a Complete List of Creditors**

List the following information for each creditor:
- Company/organization, name, physical and email address, and phone number of a contact person
- Account number
- Total amount owed
- Payment schedule and interest rates

6. **Notify Your Creditors Before You Get Behind**

Determine how much you can pay regularly on each bill. If you need to negotiate a lower monthly payment than your creditors expect, determine the amount you can pay and contact them before you get behind to make arrangements for the new payment amount.

Creditors usually are easier to work with when you let them know about your situation before a severe problem arises.

Contact creditors in writing:
- Tell them you need to work out a plan for delaying, reducing or refinancing payments until you return to work
- Always include your account number, phone number and address in all correspondence
- Keep copies of your letters and follow up by phone
- When you make your follow-up phone call, record the date, time and with whom you spoke
7 **Pay What You Can**

Even if you can't pay the amount creditors want, pay something regularly. This keeps your overdue balance as low as possible 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.

8 **Stay in Touch with Creditors**

After your first letter, keep in regular contact with your creditors. This reassures them, shows a responsible attitude and may keep them from harassing you. Make sure you don’t ignore mail from creditors that may contain important information about your account.

9 **Call a Credit Counseling Agency**

Nonprofit credit counseling organizations can help you create a revised household budget, identify potential areas to reduce expenses and sources of additional income, provide advice on how to work with creditors, and more. Visit unionplus.org for information on credit counseling.

10 **Stop 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 be out of work, try to make larger payments to reduce the balance you owe.

11 **Reduce Household Expenses**

- Adjust your buying habits—only shop when you need to, make a list, and compare prices and brands
- Use coupons
- Identify food pantries and other sources of free or lower-cost food
- Reduce cell phone plan costs, and internet and cable bills
- Reduce utility costs by:
  - Turning off lights, TV and appliances when not in use
  - Lowering the thermostat on your hot water heater and furnace, or turning up your air conditioner
  - Washing and drying only full loads of clothes or dishes
  - Calling utility companies to ask about hardship assistance
  - Eliminate unnecessary car trips
- Consider getting a housemate/tenant to share household expenses

12 **Sell What You Don’t Need**

- Consider selling an extra vehicle or the boat or trailer you rarely use
- Look at your possessions to see which nonessential items could be sold or traded without significantly changing the way you live

13 **Check Into Other Financial Resources**

- Take stock of your skills and abilities. Research opportunities, online or in your community, to earn income in the short term while determining longer-term plans (i.e., consulting or freelance work, completing online surveys, tutoring, testing products, pet sitting, making deliveries, doing handy work, etc.).
- Look into sources of financial assistance that may be available through federal and state government programs and nonprofit organizations (Supplemental Nutrition Assistance Program; Temporary Assistance to Needy Families, etc.) Visit 211.org or call 2-1-1 to identify potential sources of help in your community.
- Review your life insurance policy or talk to your insurance agent to see whether you can borrow against your policy.
- You may be able to withdraw from your 401(k), but note that if you withdraw before age 59½, you will have a 10% penalty for early withdrawal and will owe taxes on the amount you withdraw.
- Explore the possibility of listing an extra bedroom on Airbnb.