

NOTES TO AGENTS: This release is part of the Money Matters series offered by the Family Financial Education Team. This release will not be sent to statewide media.

-- Please add local contact information.

-- Please remember to alter the quotes if you substitute your own name in the release.

ALSO NOTE: The Managing Between Jobs publication series has been updated and revised to reflect new legislation. This is essentially a new series and should replace old versions by the same title.

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[YOUR NAME & CONTACT INFORMATION HERE]

Getting by between jobs

MADISON, Wis.—Losing your job or facing a drastic drop in income is one of the most stressful events a person can experience. Unemployment can mean sudden lifestyle changes for the entire family. Because there is less money to spend, you must decide how to spend what you have. Whatever changes unemployment brings, everyone feels the impact.

When you are between jobs, the paychecks may stop coming, but the bills don't. When you don't have enough to cover your monthly expenses and pay creditors, you face some tough financial decisions.

Concern about how to pay bills and meet day-to-day expenses can become overwhelming. You may be tempted to use credit cards, take out a home equity loan, or borrow money, but taking on more debt is generally not a good idea. Unless your situation turns around quickly, more debt only creates bigger problems, says Gayle Rose Martinez, Clark County University of Wisconsin-Extension family living educator [YOUR NAME, TITLE, COUNTY, UW-Extension].

Instead, focus on cutting your spending and working with creditors to reduce your payments until your situation improves. Act quickly to cut expenses and make a spending plan so you can pay bills when they are due. Studies have found that many families do not adjust their lifestyle to cut spending until about six months after their income drops. Those six months can bring financial disaster.

Taking charge of your new financial situation is a positive contribution to your family's well-being, says Martinez [YOUR NAME]. Following basic money management guidelines can reduce stress and help you adjust to living on less income.

Take things one step at a time, says Martinez [YOUR NAME]:

1. Talk with your family about the situation and set goals as a group so that everyone understands and supports the decisions being made.

2. Review your income and expenses and balance them as much as possible.
3. Try not to use credit while you are unemployed.
4. If you think you may have difficulty with payments to creditors, talk to them right away. Have these conversations before you fall behind on payments.
5. If you're considering selling assets, delay as long as possible, especially those assets with tax consequences.
6. Discuss a partner's employment situation: consider whether income can be generated by overtime or reviewing monthly employer deductions.
7. Find out what community resources are available to help extend family resources.

To help individuals and families cope with the uncertainties and challenges of managing their finances between jobs, UW-Extension offers a publication series called "Managing Between Jobs" (B3459). The 16 publications in the series provide simple tools and straightforward strategies for coping with unemployment and dealing with both the economic and emotional aspects of job loss.

The authors tackle basic questions such as how to set spending priorities and also address less obvious concerns; for example, how job loss affects children in the household, how to avoid scams that target the unemployed, whether to consider bankruptcy and much more. To view *Managing Between Jobs* or to order online, visit cecommerce.uwex.edu or call toll free 1-877-WIS-PUBS (1-877-947-7827)

To learn more about family financial management, contact your county UW-Extension office [ADD LOCAL CONTACT INFORMATION].

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