

# PREPARE NOW FOR POSSIBLE SEQUESTRATION ACTIONS THAT COULD IMPACT YOUR JOB!

Here are steps you can take NOW to GET READY:

1. Take stock of your financial situation TODAY. Fill out a budget, identify where your money is going, reduce what expenditures you can, and try to save a little out of each paycheck- starting today! Consider setting up a small savings account TODAY.
2. Postpone major purchases. If you can get by without the new TV, refrigerator, or car, wait until the federal fiscal situation has been stabilized.
3. Reduce your debt on any credit cards if you can, and avoid making new purchases with them. You may have to live off them for awhile if you are out of work or have hours cut. Switch to your union's credit card- it may allow you to skip payments during unemployment/furloughs. Call Union Plus at 1-800-472-2005, or go to [www.unionplus.org](http://www.unionplus.org), or contact your national union.
4. Keep bills current. Creditors are more willing to be flexible with members who have paid on time in the past. Here is a sample letter to send to creditors if you find yourself in a bind- keep copies!

## SAMPLE LETTER TO CREDITORS

Dear\_\_\_\_\_:

I am temporarily out of work due to federal government furlough and my income has been severely cut. I am asking your cooperation during this difficult period. Until I return to work, I need to cut back on my regular payments. I am proposing to pay \$\_\_\_\_ for a temporary period instead of my regular payment of \$\_\_\_\_. When I return to work, I will work with you on a plan to catch up my payments. Please let me know in writing if this is satisfactory and thank you in advance for your understanding.

(Signature, account number, address, phone)

5. Stock up on food and medicine while you still have health insurance coverage.
6. Use your health, optical and dental insurance now to get checkups for yourself and your children, in case there is any interruption in coverage.
7. Attend union meetings so you can find out the latest information, support your co-workers and stick together!

There are many budget worksheets, many of which can be found on internet sites, but here is a simple one to get you started- ideally, you fill this out after having everyone in your family keep a record of what they spend for a week, so that you can fill in realistic numbers.

<b>MONTHLY INCOME</b> Category	<b>Amount</b>		<b>Comments</b>
Your income			
Spouse's Income			
Interest on Savings			
Unemployment Insurance			
All Other Income			
<b>TOTAL MONTHLY INCOME</b>			
<b>MONTHLY EXPENSES</b> Category	<b>Current- Be honest!</b>	<b>What We Can Cut</b>	<b>Revised Budget</b>
Rent or Mortgage			
Utilities Gas Electric Water Phone			
Food			
Clothing			
Insurance			
Taxes			
Credit Card A			
Credit Card B			

Credit Card C			
Other Loans			
Medical Out of Pocket			
Transportation Gas/Metro Other			
Child Care			
Entertainment- movies, cable TV, etc			
Monthly Savings if any			
Other			
TOTAL MONTHLY EXPENSES			

### **Do you have an income gap?**

Subtract monthly expenses from monthly income and see if you are short of cash for the month. If so, you urgently need to make some decisions about how to reduce spending, and how to increase income, or both!

### ***Prioritizing Payments***

With limited income, you have to make decisions about what gets paid first. Although setting priorities is an individual thing (only you know what you can't live without), and should be done in conjunction with your family, there are a few general rules:

- With whatever income you have, **pay housing costs first!**  
All your problems multiply if you lose your housing. Rents and mortgages are expensive and it's hard to find private assistance to keep you housed if you get behind and face foreclosure or eviction.
- Utilities are probably next on the list
- Health insurance payments are critical
- Court-ordered alimony or child support payments can't be overlooked

## ***Reducing Household Expenses***

These are decisions you have to make in consultation with your family, AND after you have completed a budget which shows where your money is going.

Some general advice:

- Stop carrying your credit cards and pay for things in cash; if you don't have the cash, you won't buy it
- Eliminate all the bells and whistles on your phone system and go to basic service; do you need land lines AND cell phones?
- Stop cable TV; regular TV is still FREE
- Cut back on dining out- generally we spend 16% of our income on food and 30% of that is in restaurants and for fast food
- Reduce or eliminate magazine subscriptions
- Before going grocery shopping, MAKE A LIST AND STICK TO IT; NEVER go to the grocery store hungry
- Use coupons, compare prices and buy on sale
- Stay away from convenience stores which are very expensive
- Eliminate junk and prepared foods- they are expensive
- Conserve energy by turning off un-needed lights and appliances including your computer, set thermostats appropriately
- Only wash clothes when you have a full load; same with dishwasher
- Plan meals to eliminate food waste; creative cooking with leftovers anyone?
- Eliminate unnecessary car trips
- Visit garage sales- great for kids' clothes
- Cut down on expensive sources of entertainment like rental of movies, sports, new toys etc- figure out free or low cost ways of amusing yourself and your family

## ***Generating Income***

- Collect any debts owed to you by family or friends
- Sell your skills- typing, computer work, giving lessons, doing taxes, tutoring
- Sell Unused Household Items- all of us have tons of unused things in our homes, some of which other people will pay good money for- have a garage sale
- Consider Selling Valuables, like jewelry, antiques etc- usually this is a last resort if you are unable to pay for basic necessities in any other way
- Consider a part-time job, even one with limited income/benefits, until you can move back into your job
- Barter- can you provide child care for a few afternoons in return for transportation somewhere for your kids? Other ideas?

## **A Few Emergency Resources Lists on the Web**

### ***Emergency Food, Shelter and Health Care Directory (metro Washington area)***

Interfaith Conference of Metropolitan Washington

[www.ifcmw.org](http://www.ifcmw.org), click on “Emergency Directory”

The Purple Book, A Booklet of Social and Human Service Assistance Programs

Published by Baltimore Gas and Electric

[www.bge.com](http://www.bge.com), click on “residential” then click on “The Purple Book”

United Way of the National Capital Area

[www.unitedwaynca.org](http://www.unitedwaynca.org), under “who we help” click on participating agencies

United Way of America- resources anywhere in the country

[www.unitedway.org](http://www.unitedway.org), at the top right enter a zip code and it will send you to the United Way in your area

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For Public Benefits such as food stamps, rental assistance, energy assistance-  
Call your State’s Department of Human or Social Services

To connect to the AFL-CIO Community Services Liaison or Labor Agency in your area go to [www.aflcio.org](http://www.aflcio.org), put your curser on “about us” and click on “Community Services”, then click on “People Who Help Directory”

## **For Mortgage Delinquencies and Counseling**

### **National Hotlines**

Neighborhood Assistance Corp, 888-302-6222, [www.naca.com](http://www.naca.com)

HomeFree-USA, 866-696-2369, [www.homefreeusa.org](http://www.homefreeusa.org)

HOPE Now, 888-995-4673, [www.hopenow.com](http://www.hopenow.com)

For HUD-certified housing counseling agencies in your area, go to [www.hud.gov](http://www.hud.gov), click on “avoiding foreclosure”, then click on “finding HUD-certified housing counselors”. They are listed by state and locality. Some of these agencies also offer rental assistance.

## For Pharmacy Assistance Programs

***Call the Partnership for Prescription Assistance's toll-free number***

(1 8884PPA-NOW) or go to [www.pparx.org](http://www.pparx.org)

## Take advantage of the AFL-CIO Union Plus Programs

Go to [www.unionplus.org](http://www.unionplus.org) for information about the credit card program, mortgage assistance, disaster payments, legal help and the many other programs available to union members through Union Plus. 1 800 472-2005

## Utilize the 211 system in your state

This is an information and referral service for most types of problems

Prepared by

Community Services Agency, Metropolitan Washington Council, AFL-CIO

888 16th Street NW, Suite 520

Washington, DC 20006

202 974-8221

[www.dclabor.org](http://www.dclabor.org), click on "community services"



*AFL-CIO Community Services and United Way Partnership*