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When Family Income Drops – Tips and Resources

A recent or impending decrease in income can be difficult and stressful for you and your whole family. Here are a few strategies, tips and resources to help get you through.

Financial Survival Tips

- Make a household budget, including a list of all creditors, how much you owe (fixed, variable and future expenses) and all income sources like savings, assets and strike assistance.
- Contact creditors like your banks and utility companies in writing before they have to contact you (and keep copies). Let them know of your situation even before you get behind and see if they have any reduced payment plans. Make sure they know you are *unable* not *unwilling* to pay. Pay what you can to maintain a good faith effort.
- Talk to your family. Sit down with them to explain the situation and discuss ways to cut costs. For example, rent movies rather than going to a theatre, choose leftovers rather than convenience foods. Empowering each family member by sharing the burden will help the family pull together.
- You cannot spend as though everything is normal. Stop unnecessary credit purchases and reduce household expenses.

What to Pay First?

Prioritize your finances. What is most important? Here's a ranking provided by Money Management International (MMI), the nation's largest full-scale, non-profit credit counseling service agency that provides the Union Plus Credit Counseling service.

1. Rent or mortgage, food, taxes, health insurance, auto loans and utilities
2. Secured loans through finance companies
3. Retailers, hospitals, doctors and credit card issuers

Use ALL Your Resources

- Are you a member of a credit union? Check to see if they have any loans available to account holders.
- Do you have a Union Plus mortgage, insurance policy, credit card? Visit UnionPlus.org/UnionSafe to see the assistance that is available to you through these programs.
- Take advantage of free credit counseling and budget analysis through your union and Union Plus at UnionPlus.org/CreditCounseling.
- Tap ALL resources. Contact your local community service agency, church or local government assistance office.
- Contact your local United Way office to find out what assistance and services are available to your family. In many areas, you can dial 211 to access United Way 24/7 at no cost.

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