

RECESSION SURVIVAL GUIDE

Resources for Tough Economic Times



United Way
of Southwest Michigan

The information in this booklet is also available at www.uwsm.org.

Disclaimer: *While every care was taken to ensure the accuracy of the information contained in this guide and, while we believe all the information to be reliable, it is not guaranteed. Please do not rely on this booklet as your sole source of information. No liability can be accepted by United Way, its directors or employees for the information provided. Rather, this is meant to be a helpful reference for those affected by the economic recession.*

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WHAT TO DO WHEN THE PAYCHECKS STOP

File for Unemployment	1
Medical Benefits	2
Make a Financial Plan	2
Ways to Reduce Household Expenses	3
Looking for a Job	5
Resume Skills	5
Training & Education	5
Dealing with Creditors	5
Sample Letter to Creditors	6
Child Support	6

HELP ALONG THE WAY

Food	7
Housing	7
Renter's Action Plan	8
Utilities	9
Energy Assistance Program	9
Health Care	9
Prescription Help	10
Handling Bill Collectors	10
Manage Stress	11



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WHAT TO DO WHEN THE PAYCHECKS STOP

1

FILE FOR UNEMPLOYMENT

If you have been laid off from your job you may be able to file for unemployment. In Michigan, there are **two ways to apply for unemployment benefits**, or report a change of address:

ONLINE

Go to the State of Michigan website www.michigan.gov/uia and click on the “**UAI Online Services for Unemployed Worker’s**” Tab. This will allow you to create an account with the Unemployment Insurance Agency (UIA). **You must answer all questions.** Use the “tab” button on your keyboard to move between questions.

BY PHONE

Call **1-866-500-0017** from a **touch tone phone** to file a new claim or reopen an existing claim. The scheduled time for filing by phone is based on **the last two numbers of your social security number.** See the call-in schedule below to determine when you should call in:

Time	Monday	Tuesday	Wednesday	Thurs. & Fri.
8 a.m. - 12 p.m.	00-15	34-48	67-81	Open Call In
12:30 - 6 p.m.	16-33	49-66	82-99	Open Call In

To claim weekly benefits, you must call MARVIN (Michigan’s Automated Response Voice Interactive Network) at your assigned time or during the make-up periods on Thursday or Friday of that week.

YOU WILL NEED

- Social Security Number & Name as it appears on the card
- Driver’s License or State Identification number or
- Alien Registration Information in not a US citizen
- Date of Birth and Names of all claimed dependents
- MARVIN pin number
- If applying in person - a social security card or ID card with your social security number
- Employer’s name, address
- Employment Dates
- Two forms of positive ID
- Reason for unemployment

OTHER INFO TO REMEMBER

- You **must register for work** if you do not expect to return to work within 120 days.
- You must post your resume on the Michigan Talent Bank to receive Benefits. Go to www.michworks.org and follow the links for **Job Seeker** to post your resume. Your resume will be available free to employers and **you will need to update it every 30 days to keep it active.**
- If you move, be sure to **change your mailing information with the Unemployment Insurance Agency.**

2

CONTINUE YOUR MEDICAL BENEFITS

COBRA

If you had medical benefits while you were employed, you may be eligible for Cobra benefits. Cobra lets you keep the health benefits you had at your job, however, **you are responsible to pay a portion of the premium cost.** Many employers offer Cobra benefits to laid off employees. Check with the company's human resources manager to see if you are eligible for **temporary Cobra coverage and to determine what portion of the premium you will be responsible to pay.** Cobra may be expensive but can offer you good protection while you find another type of coverage.

INDIVIDUAL COVERAGE

Do some research with insurance agents to try and find a policy that is right for you. Try to avoid going without any health coverage in case of a major emergency or healthcare need that could turn into an expensive bill later.

OTHER SOURCES OF COVERAGE

If your spouse is still employed you may be eligible for medical benefits under their plan. **You do not need to wait for open enrollment to apply for benefits as loss of a job in the family is a qualifying event.**

COVERAGE FOR YOUR CHILDREN

In Michigan, all children under the age of 18 and any woman that is pregnant are eligible for a comprehensive health insurance program at affordable rates.

MI CHILD - MI Child is for low-income working families whose children are uninsured. There is no monthly premium. children are uninsured may qualify for the MI Child program which does require you to pay monthly premiums for the coverage. **To view the online brochure for more information on the coverage for MI Child, visit www.michigan.gov/documents/MIChild_english_5_65774_7.03_pms539.pdf**

HEALTHY KIDS - Healthy Kids is for working families who do not qualify for MI Child. If they do not qualify under MI Child, they and any expecting mother may qualify for free health care coverage through Healthy Kids. **To view the online brochure for more information on the coverage for Healthy Kids, visit www.michigan.gov/documents/mdch/healthy_kids_185217_7.pdf.**

TO APPLY - Go to www.michigan.gov/mdch and select **Health Care Coverage, Children & Teens, MI Child** or Call Michigan's Department of Community Health at (888) 988-6300.

You will get a letter telling you if you qualify for the programs after you apply.

3

MAKE A FINANCIAL PLAN

DO A HOUSEHOLD BUDGET

If you **get control of your household finances** you are better able to control spending. Making a **monthly budget** helps you know exactly where your money is going.

Your budgeted expenses should include:

- Fixed expenses** (mortgage, rent, taxes, insurance, loans, installment payments, child support, etc.)
- Monthly expenses** (food, gas, repairs, dues, recreation, prescriptions, credit cards)
- Future expenses** (income/property tax and other outstanding debts).

Your budgeted income should include:

- Income
- Savings
- Severance pay
- Strike assistance
- Unemployment compensation
- State disability insurance benefits
- Workers' compensation checks
- Accrued vacation pay
- Refund from pension funds

List Other Assets:

- 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 (*including boats and snowmobiles*)

There are budget forms available online to help you. One website to review is www.betterbudgeting.com.

Set Priorities:

Put your payments in order of importance, with **the most important at the top**, the next most important second and so on. This will help you **pay first things first when money is short**. Generally, your most important payment will be food, followed by mortgage or rent, utilities, health insurance, and car payments. ***If you are paying child support or alimony, these payments are also high priority.***

Stop Credit Purchases:

Stop using all your credit cards. Interest on most credit purchases is extremely high. Don't add to your burden. If you have advance warning that you might be out of work, try to make larger credit card payments to reduce the balance you owe. It will be easier to handle the minimum payment they require.

REDUCE HOUSEHOLD EXPENSES

FOOD

- Plan less expensive meal menus and **make good use of leftovers.**

PHONE

- Reducing long-distance calls or call during the lower rate evening and weekend time.
- Cancel electronic phone features like "call waiting."
- If you have a cell phone, you could get rid of your home phone service.
- Analyze your phone service. Can you switch to a less expensive plan?
- Eliminate unpublished listings; these add to your costs.
- Eliminate unnecessary calls if you are in a measured service area where you are charged for calls by length and time of day.

Please note: *A telephone is not considered a necessity by any agency in Berrien or Cass Counties. You cannot apply for assistance with agencies for a phone bill.*

UTILITIES

- Turn off the lights, TV, and appliances when not in use
- Cut back on the use of "power hogs" like hair dryers
- Lower the thermostat on your furnace, (*especially at night when you are sleeping*) or turn up your air conditioner, and dress accordingly indoors
- Wash and dry only full loads of clothes

CLOTHING

- Learning to sew and mend can stretch your wardrobe.
- Tailors and some dry cleaners can do low-cost clothing repairs and alterations that extend the life of your clothes.
- Yard and garage sales are a good source for clothes and other items.
- Because children outgrow clothes so fast, used children's clothes are often high quality and low-priced.
- Salvation Army, Goodwill Industries, and resale shops often have good, like-new or new, clothing at low prices.

FUEL

- Combine errands to eliminate trips
- Carpool, bike or walk

The **Southwest Michigan Community Action Agency** may be able to fund **WEATHERIZATION PROGRAMS** in your home if you live in Berrien, Cass or Van Buren County. **Call (269) 925-9077 or (800) 334-7670 for qualifications and registration.**

4 LOOK FOR A JOB

Looking for a new job can be a long, daunting and stressful process, but **don't get discouraged**. There are resources available to help you along the way. Keep your eyes open during your job search – the position for you could be posted in a store window, in a newspaper, on a coffee shop bulletin board or on a website. Find job search and training information at www.michworks.org.

RESUME/INTERVIEW SKILLS

Polish your resume and cover letter before you send it to employers, and practice your interviewing techniques so that you'll make a winning impression! **Michigan Works!** offers **resume writing and interview skill workshops**.

POST YOUR RESUME

Use the **Michigan Talent Bank** to post your resume and search for jobs. **Go to www.michworks.org**

NETWORK

Tell everyone you know that you are looking for a new job. Stay in contact with former co-workers, church groups and friends.

TRAINING & EDUCATION

- Michigan has the **“No Worker Left Behind”** initiative which can provide **up to \$5,000 a year for tuition** for two years. For general information about the program, including how to qualify, go to www.michigan.gov/nwlb.
- Michigan Works offers **training for basic computer skills, resume writing, interviewing and more**.
- Review **Michigan's Career Education Consumer Report (CECR)** which is a guide to education and training programs available across the state. The website is: www.mycareereducation.org

Visit or call the local Michigan Works! office for advice about your options and training schedules. The service centers are at the following locations:

BENTON HARBOR - 499 W. Main St.	Phone: 269-927-1799	Fax: 269-927-1821
BUCHANAN - 400 E. Front St.	Phone: 269-697-8736	Fax: 269-697-4006
DOWAGIAC - 01-D N. Front Street	Phone: 269-782-9864	Fax: 269-782-5706
PAW PAW - 32849 Red Arrow Highway	Phone: 269-657-7014	Fax: 269-657-6865
SOUTH HAVEN - 125 Veterans Boulevard	Phone: 269-637-4020	Fax: 269-637-1795
NILES - LMC, Bertrand Crossing	Phone: 269-697-4227	Fax: 269-697-4266

5 DEAL WITH CREDITORS

DON'T HIDE

If you are having trouble making your payments, **notify your creditors before you get behind**. Creditors are easier to work with if they know ahead of time that there is a problem. Also, **it shows “good faith”** that you are concerned about your debts and intend to pay. Don't be surprised, angry, or discouraged if you still have a few problems with unsympathetic or ruthless creditors.

MAKE A LIST

Make a list of all of your creditors. The list should include the following information:

- Total amount owed
- Account number
- Payment scheduled and amount
- Name, address, and phone number of the contact person

Determine how much you are going to be able to pay on each bill.

CONTACT THE CREDITORS

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

When contacting creditors, tell them you want to work out a satisfactory way to delay, reduce, or refinance payments until you return to work.

Contact creditors in writing so that there is a physical record of contact to place in your file. The letter can be placed in your account file - *a phone call may not be noted*. Always include your account number, your phone number, and your address. **Keep copies of your letters to creditors.** A written record of responsible contact may also be important if legal problems emerge later. Try to type letters to creditors, but legible handwriting is just as good.

SAMPLE LETTER TO CREDITORS:

Dear :

I am temporarily out of work due to (layoff, shut down, strike), and my income is severely reduced. I am asking your cooperation during this difficult period. Until I return to work, I need to cut back on all regular payments. I am proposing to pay \$___ to you for a temporary period, instead of the regular payment of \$___. This is the fairest thing I can do under the circumstances. When I return to work, I will work with you on a plan to catch up on my payments.

Thank you for understanding.

Signature

Account Number

Address

Phone

PAY WHAT YOU CAN

Even if you can't pay creditors as much as they want, try to pay something - **AFTER YOU HAVE PAID YOUR PRIORITY EXPENSES OF FOOD, SHELTER AND UTILITIES.** This lets the creditor know that you are doing all you can may keep your account from being turned over to a collection agency.

STAY IN TOUCH

After the first contact, it's important to keep contact with creditors about every two weeks. This reassures the creditor, shows a responsible attitude toward your obligation, and may keep the creditor from "hounding" you. **IMPORTANT: DON'T IGNORE YOUR MAIL!** Ignoring notices and bills only makes things worse. If you don't understand something sent to you, call the company that sent the bill.

CHILD SUPPORT

If you cannot meet your payments, **contact the clerk of the divorce court** and explain your situation. Stay in touch with your ex-spouse to avoid legal action. Failing to notify the court of your inability to pay can result in legal problems. **Follow up with a written letter or explanation.** If ordered to court, contact an attorney and **Bring documentation (pink slip or lay-off letter from your employer or union) with you.** Do your best to provide what support you can and keep records. **Missed child support payments must be made up.**

HELP ALONG THE WAY

1 FOOD

FOOD PANTRIES

Food pantries are located throughout Berrien and Cass counties. To find the pantry nearest you:
CALL - First Call For Help : (269) 925-7707 or (800) 310-5454
ONLINE - www.uwsm.org/211

FOOD STAMPS

You can apply for food stamps at your local county Department of Human Services Office.
BERRIEN COUNTY - 401 Eighth Street. Benton Harbor MI 49023 (269) 934-2000
CASS COUNTY - 325 M-62, Cassopolis, MI 49031 (269) 445-0200

FREE MEAL LOCATIONS

Soup Kitchen	233 Michigan Street	Benton Harbor	Daily	11:20 a.m. - 12:40 p.m.
Salvation Army	424 N. 15th St.	Niles	Mon. Wed. Fri.	11:30 a.m.

2 HOUSING

FINANCIAL HELP

There is some limited financial assistance available to help pay mortgage or rent in a crisis. **First Call For Help** is an information and referral phone service that can direct you to the agencies in your area that *may* have funding. When you call **First Call For Help** you will be given a list of sources to contact for further help based on your individual situation.

First Call For Help (269) 925-7707 or (800) 310-5454

KNOW THE TERMS

Default A mortgage is in default when more than one payment is due but unpaid. Mortgage contracts generally allow for foreclosure to start when a default exists, though most lenders will not act that quickly.

Delinquent Payment

A mortgage payment not made by the day it is due.

Early Payment

Mortgage payment made before due date.

NOTE: Making early payments doesn't necessarily mean that you won't be required to make payment on your regular monthly schedule. Check with your mortgage holder before making early payments.

Equity The value of your property minus what you still owe on it.

Forbearance

An oral or written agreement to repay the delinquency over a period of time so that the loan payments can be brought up to date.

Foreclosure

The process by which the lender takes over your property when you fail to meet the terms of your mortgage.

Late Charge

A fee, charged by your lender, to help pay for the added work of collecting late payments. Payment of the fee, however, doesn't give you the right to pay late repeatedly. Repeated late payments are a violation of your contract with the lender.

Section 8

A government program providing private housing for low-income families by subsidizing (helping pay for) rents. The amount of rent assistance is determined by your income. There is almost always a significant waiting list for Section 8 housing. So get your name on the waiting list!

CONTACT THE LENDER

Call or visit your mortgage company and speak to someone in the **mortgage-servicing department**. Give your name and loan number and explain your situation. Ask if a **reduced payment plan** can be worked out until your return to work. Take notes of the conversation and **get the name of the person you talk to**. On future calls, try to stick with that person. **Follow-up your call with a letter** and keep a copy of your letter for yourself.

Be sure your letter includes:

- The complete address of property.
- A phone number where you can be reached.
- An explanation of your situation.
- A request for immediate response.

Keep all correspondence from your mortgage holder in one place so that you can find it when you need it. NOTE: Even if you're already behind on mortgage payments, follow the step above.

REPAYMENT OPTIONS

Your bank, legal services, an attorney, a mortgage agent, or other qualified professional may advise you about repayment alternatives.

Some of the alternatives they may suggest:

- Temporary forbearance.
- Extending your loan.
- Refinancing.
- Selling
- Voluntary surrender of the property to the lender instead of foreclosure.
- Bankruptcy

HOUSING INFORMATION

The non-profit organization Home Ownership Preservation Foundation offers free counseling and advice on mortgage options during these difficult economic times.

PHONE: 1(888) 995-HOPE

ONLINE: www.995hope.org

RENTER'S ACTION PLAN

Read Your Lease

Talk To Your Landlord -

Tell your landlord about your situation **before rent is due** and try to work something out. Ask if you could **make smaller payments** until you return to work and then catch up the shortage. Offer to do minor repairs, cut the lawn, or do yard work in place of rent. It often costs landlords money to change tenants, so it may benefit the landlord to work with you.

Notify The Public Housing Authority

If you live in **public housing or a Section 8 home**, notify the public housing authority of your reduction in income. Your rent may be reduced.

Know Your Rights If Evicted

If you have questions, contact private legal counsel or Legal Aid.

Legal Aid of Western Michigan (269) 983-6363 or (800)-310-2798

HOUSING OPTIONS

Public Housing

At your reduced income, you may qualify for **public housing or Section 8 support**. In Section 8 housing, private apartments/homes are rented with part of the rent paid by the federal government. The rent in public housing is based on your income. But, **in most communities there are long waiting lists**.

Section 8 Housing Choice (231) 796-8883.

House Sharing

Sometimes we overlook the most obvious housing resource: a relative, friend or co-worker who is out of work may have room on a temporary basis. Sharing rent, food, and childcare can work well on a short-term basis.

Emergency Shelter

If you are at the point of eviction or foreclosure and need temporary shelter, call:

Emergency Shelter in Benton Harbor (269) 925-1131 in Berrien County

Decatur Family Shelter (269) 445-0231 in Cass County.

3 UTILITIES

FINANCIAL HELP

If you have a shut-off notice, there is some limited financial assistance available to help pay utilities in a crisis.

First Call For Help is an information and referral phone service that can direct you to the agencies in your area that *may* have funding. When you call **First Call For Help** you will be given a list of sources to contact for further help based on your individual situation.

First Call For Help (269) 925-7707 or (800) 310-5454

ENERGY ASSISTANCE PROGRAM

Low-Income Home Energy Assistance Program (LIHEAP)

You may be eligible for LIHEAP. Apply through your local **Community Action Agency**, (800) 334-7670 or ask your power company about help.

State Emergency Relief

If you receive a shut-off notice from your utility company(s), you should contact the Department of Human Services to apply for State Emergency Relief.

Berrien County (269) 934-2000 or toll-free at (866) 436-0002.

Cass County (269) 445-0200

4 HEALTH CARE

FINANCIAL HELP

There is some limited financial assistance available to help with medical and prescription costs. **First Call For Help** is an information and referral phone service that can direct you to the agencies in your area that *may* have funding. When you call **First Call For Help** you will be given a list of sources to contact for further help based on your individual situation.

First Call For Help (269) 925-7707 or (800) 310-5454

HEALTH PROGRAMMING AND INFORMATION

Your area health department offers health programming and information. Check with them to see what is available that could meet your needs.

Berrien County Health Department

(269) 982-7121

Cass County Health Department

(269) 621-3143

FamilyWize Prescription Drug Discount Card

The United Way of Southwest Michigan offers the “FamilyWize Prescription Drug Discount card.” This card is free and available at most larger pharmacies in Berrien and Cass counties. The card saves you up to 35% on most prescription drugs. **This card may be used by anyone who doesn’t have prescription drug coverage.** It may also help pay for some drugs not covered with prescription drug coverage. **There is no fee for using the card and no co-pay.**

ONLINE: www.familywize.org
PHONE: (269) 925-7707 or (800) 310-5454

5 HANDLING BILL COLLECTORS

THE RULES

A debt collector who is trying to find a debtor cannot:

- Tell a third party that he/she is a debt collector, unless asked.
- Use a postcard or indicate on the envelope that he/she is engaged in a debt collection.
- Contact a person other than the debtor more than once to learn the debtor’s location.

Once a debtor is located, a debt collector cannot:

- Contact you at an unusual time (generally between 9:00 p.m. and 8:00 a.m.)
- Make continuous or annoying phone calls to harass you.
- Contact you at your place of work if the employer forbids communication during work hours.
- Use profanity or other abusive language.
- Threaten to use violence or other criminal means to harm your person, reputation, or property.
- Impersonate a police officer or government official.
- Misrepresent the legal status of a debt.
- Threaten imprisonment or other action, which legally the bill collector or creditor could not take.
- Make other false and misleading statements.

You can write to the bill collector saying that you want him/her to cease communications. The bill collector must stop contacting you except to advise you of any legal action he/she or the creditor intend to take.

If a debt collector violates the law, you may:

- Notify the **Federal Trade Commission, (202) 326-2222**, which supervises the bill collectors.
- Sue for actual damages and punitive damages.

IF YOU ARE SUED

When making arrangements with creditors to pay off your bills, remember that if you can’t keep your payments up or if you owe property, **the creditor can sue you to recover the amount of the bill.**

Some creditors are easier to work with than others. Private hospitals, for example, are more likely to sue you over a bill than a public facility is. If you own property other than your home, the creditor’s lawyers may come after it. They may even come after your home.

Garnished Wages

If you have wages or income and have not made acceptable arrangements, your income may be garnished. That means: **money may be automatically deducted from your paycheck to pay off a debt.**

A garnishment can only be done by order of a court. You may avoid a garnishment if you can show the judge that you are doing the best you can. Lawsuits and garnishments over bills usually occur when no effort is made by the debtor to take care of his/her responsibilities. **Be responsible, take charge and DON’T IGNORE YOUR MAIL!**

If you are sued or summoned to court for garnishment, get an attorney.

Legal Aid of Western Michigan (269) 983-6363 or 1-(800)-310-2798

6 **MANAGE STRESS**

ATTITUDE

The most important thing you must do is often the most difficult: keep a strong, positive attitude about yourself and your future. Unemployment is bad enough for single workers, but loss of work is frightening for those with families depending on them. It's hard to tell your family about job loss because we all take pride in providing. But **talking to your family is an important step in the process of weathering unemployment.**

Unemployment is tough on the whole family. Your spouse and children may feel as helpless as you do. Talk out your problems and plan together. Children can sense tension at home. Explain your situation to them and **include them in developing your plans to deal with it.** Older children tend to get a sense of belonging and closeness when you confide in them. They usually respond by understanding and wanting to do their part for the family.

Don't Let the "BLUES" Affect Your Relationship

The bad feelings associated with loss of your job not only affect the way you feel about yourself; those same feelings can hurt your relationships with your family and friends. The stress of financial hard times and the feeling of "being down" can cause friction with a spouse.

You may wish to talk to someone you respect about your feelings. A friend, clergyman, professional counselor, or doctor may help you sort out your feelings. There are low-cost or free counseling options.

Samaritan Counseling Center	(269) 926-6199
Samaritan Counseling Center, Niles	(269) 683-7604
Berrien County Community Mental Health (Riverwood)	(800) 336-0341
Cass County Community Mental Health (Woodlands)	(800) 323-0335

6-Step Stress Control Program

1. Talk about your problems with someone close to you.
2. Meet for support and understanding with fellow employees who share your situation. Exchange job search information and tips.
3. Work off frustration through exercise and sports. Exercise is a great stress reducer.
4. Escape for a while by enjoying a relaxing activity.
5. Avoid overeating, and try to eat healthy foods.
6. Spend time with your family. Do things together as often as you can.

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