

HOW AM I GOING
to PAY MY BILLS?




Springboard[®]
Nonprofit Consumer Credit Management, Inc.

Promoting Financial Literacy

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About Springboard

Springboard is a nonprofit organization founded in 1974.

We offer personal financial education and assistance with money, credit, and debt management through educational programs and confidential counseling.



Accredited by the Council on Accreditation (COA)



Member of the Association of Independent Consumer Credit Counseling Agencies (AICCCA)



Certified by the Department of Housing & Urban Development (HUD)



Member of the Better Business Bureau (BBB)



Member of the National Foundation of Credit Counseling (NFCC)

Our Services Include:

- Credit and Debt Counseling
- Financial Education Programs (seminars and materials)
- Debt Management Plans
- Homeowner Assistance (Foreclosure Prevention)
- First Time Home Buyer Seminars
- Reverse Mortgage Counseling
- Pre-Bankruptcy Budget and Credit Counseling
- Bankruptcy Pre-Discharge Financial Management Instructional Course

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Introduction

People find themselves in financial difficulty for a great many reasons. Obviously, most people find that they don't have enough money to pay their bills. Some incur too much credit card debt. Others have problems stemming from loss of employment such as being laid off or fired from a job. Some lose their employment because their business has downsized or their own business closed.

For many, financial stress comes when they are faced with medical problems or the loss of work due to illness, either temporary or long term. Some are thrust into living from paycheck to paycheck when they based their standard of living on funds from overtime work, which ultimately ended. Many buy a house with a mortgage that's too big. Unexpected, large expenses with a home or car drive many into bankruptcy.

Some find themselves in debt because of personal problems that get out of control such as gambling, drinking and drugs. Many seem to have an addiction to spending money. Others seem to simply have poor money management skills.

For whatever the reason, this course will help you get back to financial stability.

LET'S START BY FIGURING OUT WHERE YOU ARE NOW!



What is a Budget?

A spending plan (budget) is a plan to figure out where your money goes before you get it. Knowing where your money is going is the first key to financial security, and keeping a budget, which includes tracking your spending. This is the only way to really know where your money is going.

WHERE TO BEGIN WHEN CREATING A BUDGET

There are two things everyone needs to know before you begin to budget:

1. How much you earn
2. How much you spend

Most people can tell you to the penny what they earn in a month. Our paychecks tend to look the same week after week.

However, very few can say with any certainty what they spend. In order to create a budget, one must do the work necessary to have a thorough knowledge of one's spending habits. Without a solid understanding of what one spends, no budget can hope to be accurate enough to be useful. We believe many budgets fail because not enough effort is put into tracking one's spending as part of the budgeting process.

You'll find budgeting sheets on the next few pages that will help you add up your living expenses and see where you stand. You'll need that information to make adjustments to your spending that will allow you to stay within your income.

TRACK YOUR SPENDING

We recommend that you track all of your spending for at least 90 days. It takes some work, but it's a good habit to get into and it's easier as you do it more and more. There are a variety of methods you can use to track your spending:

- Use the forms provided in this book
- Carry a small notebook
- Keep your receipts in a separate envelope for each day
- Use software like Microsoft® Money or Quicken® (chances are you already own one of these applications if you own a personal computer)

Use whatever method works for you; the main objective is to track where your money is going. But remember, tracking will only work if you include every single expense. Every time you drop 75¢ in a vending machine, you have to make note of it.

Add Up Your Income Sources

Three things you need to know before creating a budget:

Your budget should be developed based on three things: your income, your expenses, and your goals.

To begin, establish your current financial situation by looking at your monthly budget. Two pieces of information are essential when preparing a budget: what you earn and what you spend. We're constantly amazed at how many consumers have no idea what they spend every month.

1. Add up your monthly income (all sources)
2. List your expenses
3. Establish the gap

If you have a negative cash flow, then it's time to cut back.

Use this chart to track all of your sources of income:

Monthly Income	Gross	Net
Source:		
Job		
Spouse's Job		
Part-Time Job		
Rental, Room & Board Received		
Commissions, Bonuses		
Tax Refund (annual amt divided by 12)		
Investment Income		
Government Benefits		
Unemployment Insurance		
Child Support/Alimony		
Support from Family/Friends		
Personal Loans Collected		
Garage/Yard Sales		
Other		
Total Monthly Income:		

Setting Goals

The purpose of creating a budget in the first place.

An essential part of achieving financial freedom is setting clear goals and employing some intelligent joint planning. You need to know what your financial goal is, and in what time period you hope to achieve your goal. It's suggested that the whole family be a part of it to make it successful!

A short-term goal should be accomplished within one year. Say you plan to take a vacation that will cost \$1200 next year. You'll need to save \$100 per month to reach that goal in time.

A mid-range goal takes between 2 and 5 years to accomplish. Saving for a car might be a good mid range goal.

Long-term goals take over 5 years to achieve. Saving for retirement, college, or to purchase a home are common long-term goals.

Financial Goals	Target Date	Total Needed	Current Savings	Additional savings needed	# of pay periods until target date	Savings needed per pay period	Savings needed per month
<i>Example: A new car</i>	<i>36 months</i>	<i>\$20,650</i>	<i>\$6,250</i>	<i>\$14,400</i>	<i>72</i>	<i>\$200</i>	<i>\$400</i>
Short-Term Goals							
Mid-Range Goals							
Long-Term Goals							
Total:							

MY FINANCIAL GOALS

Write down your financial goals.

TRACKING SHEET FOR MONTHLY EXPENSES

Use this sheet to summarize your monthly expenses. Make copies of this page as needed.

	Net Income		Income	Income	Income	Income
	Net Income Per Week:					
Housing	Monthly Expense	Budget	Week 1	Week 2	Week 3	Week 4
	Mortgage/Rent					
	2nd Mortgage					
	Property Taxes/12					
	Homeowner's Insurance					
	Gas & Electric					
	Water/Swere/Garbage					
	HOA Dues					
	Telephone					
Food	Food: Dining Out					
	Groceries					
Insurance	Insurance					
Medical	Medical					
Auto	Car Payment					
	2nd Car Payment					
	Auto Insurance					
	DMV Registration/12					
	Gas/Oil					
	Repairs					
Family	Childcare					
	Alimony					
Taxes	Taxes					
Personal	Miscellaneous (Cable TV)					
	Personal (Cosmetics, clothes)					
	Entertainment					
	Gifts/Contributions					
Savings	Savings					
Totals	Total Expense					
	Total Income					
	Total Surplus					
	Total Deficit					

MONTHLY BUDGET

Now that you're more familiar with your income, expenses and goals, it's time to propose a monthly budget:

Necessary Expenses	Current	Proposed
Housing Rent/Mortgage		
2nd Mortgage		
Property Taxes		
Insurance		
HOA Dues		
Gas/Electricity		
Water/Sewer/Trash		
Telephone		
Food Groceries		
Dining Out		
At work/school		
Insurance Life		
Health/Dental		
Disability		
Medical Care		
Doctor		
Optometrist/Lenses		
Dental		
Prescriptions		
Counseling/Therapy		
Transportation		
Car Payment 1		
Car Payment 2		
Insurance		
Gas/oil		
Repairs		
DMV/Smog		
Tolls/Parking		
Public Transportation		
Child Care		
Daycare/Sitting		
Child Support/Alimony		
Miscellaneous		
Banking Fees		
Laundry		
Union Dues		
Other		
Income Taxes		
Prior Year		
Estimated Tax Payments		
Savings		
Emergency		
Goals		
Total Essential Expenses		

Discretionary Expenses	Current	Proposed
Personal		
Beauty/Barber		
Clothing/Jewelry		
Cosmetics		
Manicure/Other		
Entertainment		
Cable		
Movie/Video		
Dining Out		
Sports/Hobbies/Clubs		
Vacations/Travel		
Books/Magazines		
CDs/MP3		
Miscellaneous		
Pet Care/Vet		
Gifts		
Cell Phone		
Postage		
Cigarettes/Alcohol		
Donations/Tithing		
Internet Access		
Other		
Total Discretionary Expenses:		

Debt Payments

Creditor Name	Monthly Payments
Total Debt Payments:	

Adding it all up

Making sure you have a workable budget

Now it's time to put everything together and see whether your budget will work.

Remember, your short, mid and long term goals should be included with your expenses on your budget.

First, determine your total monthly expenses:	
Total Necessary Expenses	
Total Discretionary Expenses	
Total Debt Payments	
Total Monthly Expenses	

Now let's see if your budget balances:	
Total Monthly Net Income	
Minus Total Monthly Expenses	
Balance (+/-)	

Now, if your expenses exceed your income, you will have to work to find solutions if you are going to avoid falling deeper into debt. Credit counseling can help if you have high debt payments that are upsetting your budget. You may also tighten your belt in some areas to balance your finances.

Whatever you do, don't cut into the 10% - 15% you should be saving; you need to save up to three – six months' income to get through an emergency before you can start saving for anything else. If necessary, you can look at ways to cut your spending and increase your earnings to make ends meet. For now, you should set reasonable, attainable goals; you can also push a goal's deadline back and give yourself more time to save money.

Re-evaluate your budget periodically, especially when your income or needs change. A budget is simply a guideline, a tool to help you save to buy the things you want. With smart money management and clearly defined goals, consumers can come to rely on credit cards less and less.

We're entitled to have the things we want; we just have to be prepared to budget intelligently and save to get them.



WHAT YOUR SPENDING SHOULD LOOK LIKE

The ranges indicated above reflect income levels, family size, and personal choice. It's not a mistake that the percentages above don't add up to 100. Everyone's finances are different, and if your employer provides your medical coverage for example, you may be able to put more into other expenses. Work with these figures to establish your own guidelines.

	% of Monthly Income	Includes
Housing	35-45%	Mortgage, rent, property taxes, insurance, repairs and improvements. <i>Housing and utility expense can vary significantly depending on geographic location (i.e. urban, suburban or rural) and adjustments to the suggested budget percentages may need to be increased or decreased to allow for local conditions. Also persons living in high cost areas (metropolitan areas of California and other states) typically need more budget allocated to housing expenses. Individuals and families in the lowest income range may find that they would need to consider alternative housing arrangements (living with family members, sharing a house, etc.) as housing expense could exceed 60-75% of their income, leaving insufficient funds to pay for other basic budget items.</i>
Utilities	8-15%	Gas, electricity, water, trash, sewer and telephone (regular & cell). <i>If you are spending too much on utilities, consider switching long distance providers, saving up for a more efficient furnace, conserving electricity, stop sending text messages, etc.</i>
Food	10-20%	All food items, dining out, pet food. <i>On average, Americans spend 15% of their incomes on food. Watch out for fast food, which is a big budget buster. It's 5 times more expensive to dine out than to prepare meals yourself.</i>
Auto & Transportation	15-25%	Purchase and installment payments, gas & oil, repairs, insurance, parking & public transportation. <i>Many of us have cars we can't really afford. If that includes you, consider trading your car for a more affordable one. And in general, leasing is a bad idea.</i>
Medical	8-15%	Medical insurance premiums, prescriptions, doctor and dentist bills. <i>Since medical bills don't come along every month, consumers should save funds within the 8-15% range for emergencies.</i>
Clothing	3-5%	All clothing purchases, shoes & alterations. <i>There is a lot of gender-biased pricing in this category; women may find this figure harder to reach than men.</i>
Personal & Miscellaneous	5-10%	Miscellaneous, club dues, admissions, hobbies, postage, tobacco, cosmetics, hair cuts and cable TV. <i>Chances are you spend far more than 10% in this category. Most of these are "wants" and not "needs," so you shouldn't put this spending ahead of more vital items.</i>
Savings & Investments	5-10%	<i>It's crucial that you set aside this 10% for your goals; as for investing, one shouldn't consider it until they have significant savings (\$10,000 or more) in the bank.</i>
Monthly Installments	10-20%	Installments, credit card payments, personal & student loans, any other debt payments. <i>If you are paying more than 20% of your income in unsecured loans, you may be in serious financial jeopardy. Call Springboard at 1-800-WISE-PLAN for free, confidential debt counseling.</i>

Cost-Cutting Tips

If you do not have enough money to make ends meet each month, you'll have to cut expenses. Where should you cut expenses? The obvious places are in the supermarkets, restaurants, malls, and in your home. Some cost cutting tips are provided below. Give them a try. These tips can help you save hundreds of dollars each month:

1. Stop carrying your credit cards. Pay in cash. Bring only enough cash for things on your list.
2. When buying groceries prepare a list, and STICK TO IT. Avoid impulse buys, even with sale items.
3. Clip coupons from the newspapers, or find them online at sites like SmartSource.com, Wow-Coupons.com, Coolsavings.com, or couponmom.com.
4. Shop once a week. Buy store brands—they are often of comparable quality to national brands, and prices are much lower.
5. Make sure your items ring up correctly at the check stand.
6. Stay away from restaurants. We spend 15 % of our income on food. More than a third of that amount is spent in restaurants, snack bars, and fast food.
7. Eat at home or bring a homemade lunch to work or school. Make cookies or other sweet treats instead of buying them. Packaged, pre-cooked and otherwise "prepared" foods can be expensive—you are paying a premium price for convenience.
8. Stay away from malls. Malls are budget busters. It's too easy to spend money at on impulse when browsing at the mall.
9. Shopping is not entertainment. Shopping is an expensive and serious form of family business. Find a cheaper form of amusement. We spend close to 10% of our income on entertainment: movies, video rentals, cable TV, MP3s, hobbies, sports, toys, and other recreation. Put a hold on it.
10. Turn off the lights and the TV when not in use. Run the dishwasher, clothes washer and dryer with full loads. Set the thermostat to 68 degrees in the winter. Use the same brands of toothpaste, shampoo, soaps and razors, etc., and buy in bulk.
11. Buy at discount shopping clubs; buy in bulk and only items that you will use and that will keep. If you aren't a member, see if you can go with a friend as a 'guest' shopper for a day.

Evaluating your spending takes work. Spend a month tracking your spending so you'll have a clear picture of your personal finances.

You can always call Springboard for a free counseling session; our certified counselors will help you evaluate your situation thoroughly.

Setting Priorities

Know what's important and what isn't.

Decide what are needs and what are wants. Most wants—things you can live without, such as cable TV or magazine subscriptions— can be cancelled or postponed until you're financially stable again. Concentrate on the essentials— shelter, food, clothing, transportation—and what you must do to survive until the crisis is over.

Stop charging! Curtail all credit usage to avoid overextending yourself.

If your hardship is temporary, but you're desperate, there are some things you can do:

- Take money from savings or an investment
- Cash in or borrow from a life insurance policy
- Cash in savings bonds
- Apply for public assistance
- List things you could liquidate (garage sales or eBay) to help pay off bills
- Borrow from family or friends
- Involve the entire family in cost-saving measures
- Encourage part-time employment or odd jobs in order to contribute to family income

Contact your creditors. Your second priority is to contact your creditors right away. Don't ignore your bills and past due notices.

If you do not contact your creditors about your financial difficulties and do not make your scheduled payments, several things can happen:

- You will have late charges along with interest charges that will continue to increase your balance
- Your account may become delinquent and affect your credit record
- Vital services, such as gas, electric, water, and telephone may be shut off

Your account may be turned over to a collection agency. Once the account is turned over for collection, it may be reported to your credit reports.

All Those Bills

How can you meet your financial obligations during hard times?

Here are some things to think about as you talk to each of the people to whom you owe money. Remember to take it one day at a time, be honest, and keep the lines of communication open. There's almost nothing you can't accomplish if you communicate.

Rent Payments

Write to your landlord explaining your situation immediately. The landlord may accept partial payment for one or two months. You may want to look for less expensive housing; however, be realistic and remember to include moving expenses, deposits, and family adjustments as you calculate your decision to move. If it is a private landlord and you or your family are able, you may be able to do some maintenance work as part of your rent payment.

Always get any agreement for special rent/mortgage payment arrangements in writing.

Car Loan

If you can't make your car or other vehicle payments it can be repossessed. Repossession means that the creditor takes the vehicle and sells it at a public auction or private auction. If the vehicle is sold for less than what is still owed on it, as is often the case, you are still responsible for the remaining balance owed on the vehicle.

Check with the creditor to see if the loan can be written for lower monthly payments. Remember, however, doing this will increase the total finance charges you pay for the loan; you will be paying more for the vehicle because you will be paying for a longer period of time. Also check with your lender to find out if you can put one payment per calendar year at the end of the loan. Many major car loan grantors will allow this, if you have had your loan for 12 months or more, with no late payments.

Loans: banks, finance companies, student loans

Be aware of any action that can be taken against you if you are late or default on payments. If your debt is a student loan, check the paperwork on your statements to find out what steps to take to apply for a deferment.

Credit Cards: Bank Cards/Retailers

Your credit card debts and miscellaneous obligations should be paid last. Begin with the credit card that is charging the highest interest rate.

Credit card payment records are part of your credit rating. If you are late on your payments, fail to pay or if your accounts are cancelled, this will be reported to the credit reporting bureaus.

All Those Bills

Insurance: Auto & Medical

There may be a grace period in making payments, from 1-30 days, but check with your insurance company. If you allow insurance to lapse you may need several months up front to re-establish a policy. Do not let a short-term situation harm your family's well being.

What to do:

Write to your insurers immediately and explain your situation. Ask what payment options are available.

For auto insurance, if the creditor agrees, or if the car is paid for and the car is not new, remember state law requires that you keep liability coverage.

Health Insurance

Check to see if the health insurance provided by your former employer will be continued and for how long. Find out who is responsible for the premium and at what amount. If coverage is not available and you cannot afford the premium, check to see if you qualify for Medicaid. Also, check into policies that would pay for major hospitalization (with a very high deductible, these can be less expensive than the more comprehensive plans) and find out what low cost community services are available for routine medical concerns.

Utilities

Guidelines for handling Public Service problems:

If you are delinquent with your payment, your first warning bell will be a form received in the mail, stating that you are late on your payment. This payment needs to be paid promptly; if not, you may be subject to having the utility disconnected. Call Public Service for information on their assistance program, "LEAP." There may be additional emergency funds you can apply for to help pay your past bills.

Telephone Company

Key Point:

Telephone service is not always an essential human need. If you do not pay your bill, service may be disconnected. You need to contact the phone company and discuss the matter with them. Don't just allow the service to lapse.

What can happen?

Your telephone can be disconnected if you have a poor record of paying your bill, especially if the company efforts to reach you by phone or writing receive no response.

Once your phone is disconnected:

You must pay the bill in full, and pay a substantial deposit to have the service reinstated.

A Few More Pointers

Increasing Income

- If you are getting a tax refund each year, consider increasing the number of exemptions you are claiming on your W-4 form at work. This will give you more take-home-pay, but be sure that this will not result in an end-of-year tax debt.
- Could you or your family member obtain part-time jobs to increase income?
- Could your house be sold for a profit? Be sure to consider any tax consequences from the sale of your property, the cost of new housing, and your family's stability before making a decision.
- Can merchandise or real estate be sold for a profit?
- Could you have a garage sale with all the unwanted treasures you have?
- Could you sell an auto, and get by with one car, even temporarily?
- Could you borrow against cash values in insurance policies?
- Does your mortgage escrow account have a surplus? Call and ask.

Reducing Expenses

- Is less expensive housing possible? (consider all expenses of moving)
- Reduce your food spending:
 - Reduce grocery store purchases; make a shopping list and stick to it. Can you pack a school/work lunches, and give up dining out?
 - Review your telephone service costs. Perhaps you can reduce them.
 - Review insurance coverage (accidental death, collision on an old car). Are you overinsured?
 - Consider generic prescription drugs; ask your doctor if a true equivalent is available. Shop for prescriptions by calling and asking for prices. These two measures can cut your prescription costs in half.
 - Hang clothes out to dry. Wear clothes that do not require dry cleaning.
 - Shop at garage sales for children's clothes. Shop the essential "white" sales.
 - Can you "trade down" your present car for one that has lower monthly payments and will cost less to insure and operate? Also, can you reduce any extra mileage?
 - Could a relative or friend provide low cost day care?
 - Can you eliminate club membership dues and cut back on cost for newspapers, magazines and cable TV?
 - You can discuss the situation with your children, and get them to help with your efforts to economize. They can be a big help.

Your Credit Report

Know what's on it, and check it often.

Your credit report has become increasingly essential to many areas of your life. The most important things you do; buying a home, buying a car, getting a new job, going to college – almost always involve someone reviewing your credit.

Your credit report contains information on where you work and live, the credit accounts that have been opened in your name, how you pay your bills and whether you've been sued, arrested or filed for bankruptcy.

Every consumer should check his/her credit report on a regular basis; there may be mistakes on it that can wreak havoc on a person's finances.

The FACT Act of 2003 mandated that the three major national credit-reporting bureaus establish a website, a toll-free number and a mail address for consumers to request their credit report for free every year:

1. Go to the website www.annualcreditreport.com. **MAKE SURE** you type the address incorrectly, or you may end up at an imposter site set up by identity thieves.
 - a. Type the exact address of the free report site, **INCLUDING** the **www** (that is, type www.annualcreditreport.com).*
 - b. Verify that you are immediately redirected to the secure page: [https:// www.annualcreditreport.com/cra/index.jsp](https://www.annualcreditreport.com/cra/index.jsp) is the redirect address.
 - c. Verify that the security lock is present in your browser.
 - d. On the data entry page (the first page you visit after you tell the site what state you live in), verify that a "VeriSign security" symbol is present near the top right on the page. Click on the certificate to ensure that it is indeed the certificate for www.annualcreditreport.com.
2. Call by phone: 877-322-8228
3. To submit a request by mail, download the Annual Credit Report Request Form located at www.annualcreditreport.com/cra/requestformfinal.pdf and mail it to:

Annual Credit Report Request Service
P.O. Box 105281
Atlanta, GA 30348-5281

(Keep in mind that the location of the form or file name may change.) Do not contact the credit reporting bureau directly as this is the only method to receive a free credit report.

Getting Your Report

If you've been denied credit because of what your credit report says, you are also entitled to a free copy within 60 days of the denial. Contact the credit bureaus using the information below:

Equifax – www.equifax.com

To request your report call: 800-685-1111

Or write to: P.O. Box 740241, Atlanta, GA 30374-0241

To report fraud, call : 800-525-6285

AND write to: P.O. Box 740241, Atlanta, GA 30374-0241

If you are hearing impaired (TDD), call : 800-255-0056 and ask the operator to call 1-800-685-1111 and request a copy of your credit report.

Experian – www.experian.com

To request your report call : 800-EXPERIAN (800-397-3742)

Or write to: P.O. Box 2002, Allen, TX 75013

To report fraud, call: 888-Experian (888-397-3742)

AND write to: P.O. Box 9530, Allen, TX 75013

TDD: 1-800-553-7803

TransUnion – www.transunion.com

To request your report, call: 800-888-4213

Or write to: P.O. Box 1000, Chester, PA 19022

To report fraud, call 800-680-7289

AND write to:

Fraud Victim Assistance Division

P.O. Box 6790

Fullerton, CA 92634

TDD: 1-877-553-7803



The Fair Debt Collection Practices Act

In 1970 the Fair Debt Collection Practices Act (FDCPA) became law. Its purpose is to prevent, abusive, deceptive and unfair debt collection practices by debt collectors. The FDCPA does not apply to originating creditors who are collecting on their own behalf. The FDCPA prohibits:

- Contacting a third party who does not owe the debt, such as a relative, neighbor, or your employer. Co-signers to the debt, however, may be contacted by the debt collector;
- Threatening to refer your account to an attorney, harm your credit rating, repossession or garnishment, without actual intention of action on the threat. Please note that a debt collector may warn you of an actual impending intention to refer your case to an attorney or to report your debt to a credit agency. What they cannot do is use a false threat to try to intimidate you into paying;
- Making repeated telephone calls or telephone calls at unreasonable times. The act defines unreasonable times as contact before 8:00 AM or after 9:00 PM, unless you have given the debt collector permission to contact you during those hours;
- Placing telephone calls to an inconvenient place. For example, contacting you at work in violation of a policy by your employer that is known to the debt collector or following a request by you that they not contact you at work;
- When placing a telephone call to you at work, informing your employer of the purpose of the call, unless first asked by the employer;
- Using obscenity, racial slurs or insults;
- Sending letters which appear to have come from a court;
- Seeking collection fees or interest charges not permitted by your contract or by state law;
- Requesting post-dated checks with the intention to prosecute if they bounce;
- Suing in courts far removed from your place of residence;
- Making certain false representations in association with efforts to collect the debt, including the false claim that the person contacting you in relation to the debt is an attorney, falsely claiming to have started a lawsuit, using a false name, or using stationery that is designed to look like an official court or government communication;
- Using false claims to collect information about the debtor, such as pretending to be conducting a survey;
- Threatening you with arrest if you do not pay the debt.

Your most powerful weapon against a debt collector is your right to tell him/her to leave you alone. Simply tell the debt collector verbally and in writing to cease all communications with you. They must stop all communications, except to tell you that:

Collection efforts against you have ended, or

They or the original creditor may or will invoke a specific remedy against you, such as suing you.

If violations are flagrant and unending, contact the Federal Trade Commission at www.ftc.gov.

Handling Unemployment

What to do if you're out of work.

Every year thousands of Americans lose their jobs. That is the nature of the times: businesses are streamlining operations and consolidating jobs, and that means workers will face lay offs and cutbacks. The important thing to understand is that you are not alone, and that you shouldn't blame yourself.

You should communicate with your family; express your feelings in the wake of your layoff, and you won't feel so alone. Of course, this doesn't mean you should take your anger out on your spouse, parents or kids. It's only natural to feel angry, but be careful how you vent that anger. Keep in mind that you will need your former employer for future job references, and you should strive to maintain good relations.

After the initial period of anger wears off, you will likely go through a period of grief. You will feel sad for the loss of friends and co-workers, and you may feel ashamed at your situation. Remember that people will treat you the way you act; stay upbeat and let everyone see that you are a survivor, and they'll treat you with respect, regardless of your employment situation.

For most people unemployment may result in reduced economic well being. Serious financial hardship is not always a consequence of temporary unemployment, especially if you have an adequate emergency savings fund.

Budgeting wisely is always important; however it is especially important when experiencing unemployment. It is very important that you re-analyze your expenses and set priorities that are representative of your income. This actually applies to whether you are trying to manage on reduced income or not.

Cut Your Expenses

Now is the time to evaluate your overall spending and cut back to the bare essentials, this can be done by reducing your living expenses. If you want a clear picture of your financial circumstances, see a counselor at Springboard.



You Might Consider an Entirely New Line of Work

Start off with a wish list of jobs that interest you. Think about your hobbies and interests. Could you turn something you enjoy doing into a career? Think about people you know; use the contacts you already have to explore a new career path. And of course, there's always the Sunday help section, and websites like monster.com, careerbuilder.com, quintcareers.com, and wetfeet.com (to name a few). These sites can all help you get a feel for requirements and sometimes pay scales for a particular job or field, and give you job hunting and resume writing tips as well.

Some things to ask people you meet when considering a new career:

- How did you get into this line of work?
- Tell me about your typical day at work and what's a hectic day like?
- What do you like most about what you do? Why?
- What do you dislike most about what you do? How do you cope?
- What are your duties and responsibilities?
- What skills do you need to do this job?
- What do employers really look for when hiring?
- Does the future look healthy for employment in this field?
- Any advice for someone looking for a job in this field?

Getting that job

When you're ready to start looking for a job, you need to first accept that looking for a job is a *full-time* job.

You need to set yourself apart from the rest of the job hunters out there.

Start by listing your projects and accomplishments. Think about the things you have done both personally and professionally. Think back to former jobs and volunteer work. You'll be surprised at how much you've done when you get it all laid out on paper in front of you.

On the following pages, we'll go through the steps to getting your resume in shape so you can start applying for that new job!

It's Time to Update That Resume

The best resume is a resume that gets read. Simple, clean resumes that show off your accomplishments are best. You don't have to do anything particularly fancy. Let the content of your resume be the focus, not fancy fonts and graphics. One page is preferable as many hiring professionals receive hundreds of resumes, and may not be inclined to read more than a single page. So, what should be in that resume?

Contact Information (required)

Include your full name, permanent and local addresses, phone (include area code), email address, and, if you have a Web homepage, the URL (i.e., www.myhome.com).

Objective (encouraged)

Write a brief statement summarizing the type of work you want to do and a career field in which you are interested. Let the reader know your specific interests; provide a focus for the rest of the resume (similar to a thesis statement in an essay). Focus on skills; begin with active verbs such as "Seeking," "Desire" or "To obtain."

Education (required)

Summarize your educational achievements (colleges attended, locations, certificates, academic majors, minors, and course concentrations, degree's) earned). Include international study experience here or in an "International Experiences" section. Start with most recent degree awarded and work backward in time.

Do not list high school or earlier education unless it is exceptional or relevant in some way. GPA is optional, and usually included if you are a recent graduate and/or do not have much work experience. Include it if you feel it will enhance your resume. Include either cumulative GPA, major GPA, or both, as long as they are appropriately labeled, or simply highlight academic achievements such as honor roll or dean's list.

Experience (required)

List any experience relevant to your stated job objective, whether paid or unpaid. Begin with your most recent experience and work backward. Include full-time or part-time work experience, volunteer jobs, internships or cooperative education placements, and clinical experience relevant to your field. Focus on transferable skills (communication, analysis, teamwork, research, leadership, and writing) and accomplishments when describing your job duties.

Activities (optional)

Emphasize any significant activities you participate in outside of work (community service, extracurricular). They should be relevant to your stated objective. List activities that demonstrate leadership ability, initiative, good communication skills, and perseverance. Highlight leadership roles.

Languages (optional)

If you include languages (either under “Skills” or “Languages” section), be sure to accurately represent your skill level: Basic ability - completed coursework in language. Literate - Can read and write language. Conversational - Can speak language. Proficient - Can read, write and speak understandably. Fluent - Can read, write and speak with similar skill to native speaker, and could interview and/or work in that language.

Additional Information (optional)

Areas of Knowledge: Special qualifications, language skills, computer skills, military experience, any publications or presentations.

References

References should not appear on your resume. You will need to create a separate reference page that should include each person’s name, title, address and phone number. Generally, you DO NOT need to state “References available upon request” on your resume. If an employer wants your references, he or she will ask.

Handling the Interview

The easiest way to get an interview is to simply pick up the phone and give the employer a call. Make an appointment. Remember that how you present yourself will make a big first impression. If you aren’t comfortable calling employers, send them a letter and then follow up with a phone call.

Before you call an employer, take some time to prepare what you are going to say.

1. Introduce yourself
2. Say something friendly
3. If you have a contact who knows the employer, you want to mention it early on.
4. Get down to business
5. Tell the employer what you can do, what experience you have, and what you’re looking for in a job.
6. Ask to schedule an interview.
7. Be prepared for rejection. A lot of businesses will tell you that they’re not hiring. Be persistent. Ask for an interview anyway, and tell them you’d like to be considered when the company begins hiring again.
8. Wrap it up and confirm.
9. Thank the employer for their time and make sure the date and time of the interview is set.



What Managers Are Afraid Of

At the interview, it'll be time to be at your best.

Here are some things the interviewer will be trying to find out without asking you outright about them. They are weaknesses you don't want to exhibit!

- That you won't take your work seriously and someone must constantly check your work.
- That you'll be lazy, give only minimum effort, and have to be told when to do everything.
- That you'll frequently call in sick, arrive late, refuse overtime, and constantly ask for raises.
- That you're a quitter and you'll walk out at a time when they really need you.
- That you're a chronic complainer, a braggart, or someone who blames others for your mistakes, blunders, sloppy work or forgetfulness.
- That you're arrogant, conceited, rude, antagonistic, pushy, broody, or moody.
- That you might say or do something to disgrace or embarrass the company, the department, the manager, or your fellow workers.
- That you'd steal, embezzle, lie or cheat.
- That you'd show no pride in your work or your appearance.

When you go into the interview, your primary job is to sell yourself. Show enthusiasm, that you're a team player, and what you can do for the employer. Be careful not to talk too much; it's a turn off. Listen as much as you talk. And don't forget to dress the part.

If you can, do some research on the company you're interviewing with before the interview. If they have a website, check it out. The more you already know about the company when you come in for the interview, the more attractive you will be.

If you really want the job, you'll have to follow up. Send the manager a thank you note. It'll make you stand out in the crowd. Five to seven days after the interview, give the manager a call. They'll prefer to hire someone who really wants the job. Show them you do.

If you didn't get the job, send a thank you letter, thanking them for the opportunity to interview. You never know when that company will have another opening. The person they did choose might not work out. Make your last impression as good as your first.

Life at a New Job

Putting your best foot forward.

When starting a new job, you want to do your best to fit in and become accepted by the other workers. Here are some tips to help break the ice:

1. Be friendly. Don't be shy. When you meet someone new, offer your handshake, smile, and introduce yourself. Remember names. Ask questions to get the conversation going. Be a listener.
2. Be flexible. At first, you'll probably get stuck with those tasks everyone else dislikes. Show that you're mature enough to handle it; it shows that you respect their seniority.
3. Show initiative. When you finish a task and have some free time, don't stand around waiting for someone to tell you what to do. Ask someone if you can give them a hand with their work. Be a team player.
4. Be dependable. Show that you can be counted on. Show up for work on time everyday. Stay until quitting time. Finish your work on time. Volunteer to work late if they need a hand.
5. Don't try to fake things. If you don't know how to do something, don't try to fake your way through it. You'll lose respect, which could be hard to rebuild. Just ask them to show you how they want it done.
6. Obey the rules. Learn both the written and unwritten rules and follow them. Don't step on any seniority or territorial toes. Make friends, not enemies.
7. Admit your mistakes. Everyone makes mistakes, especially when they're new on the job. Be honorable and admit when you make a mistake.
8. Hold your ideas. Don't try to change things right away. Keep your eyes and ears open and your mouth closed.
9. Solve your own problems. Don't be a pest. Try to figure some things out for yourself, instead of running for help every time you have a small problem.
10. Find a role model. Watch the boss and try to figure out which of the workers he likes and relies upon the most. Model yourself after that person.



Where to Go From Here

Finding a new job that's right for you.

Attitude is half the battle. If you have a friendly disposition, you'll find a job faster than someone who doesn't. More than two thirds of displaced workers find new employment within 90 days.

What's the most critical factor in finding a job? Having a job-search strategy - and following it. Besides having some sort of plan, the other key issue is having the tenacity to stick with it -- and adjust it as necessary -- for as long as it takes. There are no magic formulas or guarantees. Job-hunting is hard work, but the more you plan, and the more committed you are to finding a new job, the better your chances.

So, with that introduction, here are the 10 steps to finding a new job.

Step 1: Examine your life/career. Are you where you want to be in your career? How well does your current job and career path meet your life goals? Do you feel as though your life and career are in or out of balance? Be completely honest with yourself in answering these questions.

Step 2: Set career/job-search goals. Create a vision of where you see yourself in six months, in six years. Research careers, jobs, and employers. Be sure all your goals are realistic.

Step 3: Reconnect with/expand your network. Your network of personal contacts is the most powerful job-search tool under your control. Expand, build, and strengthen your network.

Step 4: Upgrade your knowledge/skills. Employers want employees who have a set of what are termed "soft" skills, including communications (written and verbal), interpersonal, teamwork, problem-solving, analytical, and adaptability.

Step 5: Consider additional training/education. One of the best ways to improve your employability is to gain additional knowledge, training, or certification.

Step 6: Update/polish your resume. There are so many new rules of resume-writing, including different formats and versions, that you best spend a fair amount of time on this step.

Step 7: Learn/refresh job-search techniques. Do you know how to generate job leads? How to use your network? You must stay current with the latest job-search techniques.

Step 8: Practice interviewing. One of the most overlooked areas of job-hunting is preparing and practicing for job interviews. Research the employer; practice answering common interview questions.

Step 9: Test your marketability. Job-hunting is all about marketing yourself to employers. Determine what makes you unique among all other job-seekers.

Step 10: Consider advancing internally. Don't always assume the best job opportunities are those waiting for you outside your current employer.

Top 10 tips from Randall S. Hansen, Ph.D. Dr. Randall S. Hansen is a nationally recognized career and job-search expert. He is Founder and Webmaster of Quintessential Careers, as well as publisher of its electronic newsletter, QuintZine. He writes a biweekly career advice column under the name, The Career Doctor. He is also a tenured, professor of marketing in the School of Business Administration at Stetson University in DeLand, Florida. He can be reached at randall@quintcareers.com.

Springboard

How we can help you find peace of mind.

If you work to balance your budget and still fall short, or if you are paying too much (over 20%) of your income towards debt, then you may be in a credit emergency. Ask yourself these questions:

Have you:

1. Argued with your spouse over bills?
2. Increased the percentage of your income being used to pay off debts?
3. Approached or reached your credit limits?
4. Paid only the minimum on revolving accounts?
5. Been chronically late in paying bills?
6. Borrowed to pay for items you used to pay for with cash?
7. Put off medical or dental visits for financial reasons?
8. Reached a point where losing your job would place you in immediate financial difficulty?
9. Been threatened with repossession of your car or credits or with other legal action?
10. Avoid calculating your total debt and are afraid to add it up?
11. Juggled one credit card payment to make another?
12. Run out of money before the next payday?
13. Had to borrow from family and friends?
14. Used cash advances from one credit card to pay another credit card payment?
15. Been called by the collection department for payment on your credit and other debts?

If you said “yes” to any of these questions, you could be in financial difficulty. Likewise, you may know someone in your family or community who is dealing with these issues.

Springboard is here to help.

Consumers who need help can call us at 1-800-WISE-PLAN (1.800.947.3752). We offer free individual financial counseling sessions with certified credit counselors, and have a range of services available to help consumers in any situation.

Find Springboard on the internet at www.credit.org.

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