

SURVIVAL TECHNIQUES

The state of the economy dictates that consumers become cautious in financial matters. Unemployment is at an all time high. Twenty five percent of companies surveyed by the American Management Association expects to cut workers. Everyone needs to be aware of financial survival techniques.

SURVIVAL TIP

In the game of survival — CASH IS KING. Everything should be done to preserve your cash holdings or make it easier to acquire cash.

Two situations for financial survival need to be addressed. One situation is the individual who is still employed and the other is the individual who has already been laid off. If you are in the first category you are fortunate because you have the opportunity to plan and prepare for financial survival. If you are in the second category and already unemployed, then you know how quickly life can become uncertain. But in either case, the first thing that needs to be protected is cash. Estimations as given by a number of out placement services suggest that you will need one month of job searching for every \$10,000 in salary that you need. This is only considered a good rule of thumb depending on your area, your expertise, and your willingness to accept something less in a different type of job with either pay or challenges less than you want.

Treat Credit Like Cash

Most of us use our checkbook to track the amount of cash we have to spend. When we do not have enough cash on hand for a purchase, we use credit. We anticipate paying this purchase off at the end of the month or at least a portion of it. Unfortunately, at the end of the month, we do not have any additional money and are forced to pay the minimum balance. Here is a tip that might help.

SURVIVAL TIP

Write in your checkbook the amount of your credit card purchase and subtract it from your current balance. If you do this each time you use credit, you will be able to see how quickly credit uses your available cash reserves.

OTHER SAVING TIPS

Here are various tips by category of recommendations to reduce cost and lengthen your survivability time frame:

Income/Cash:

Always consider what you will make versus what impact the earnings will have on your unemployment. Work part-time jobs and work for a temporary agency. A temporary agency is a great place to make new contacts.

- Have a garage sale.
- Borrow against equity in your home or other assets.
- Borrow against cash value of life insurance.
- Utilize overdraft option on checking account.
- Debt consolidation loan.
- Consider asking a pawnbroker the value of the item(s) to determine the true value before selling.

Taxes:

- You may be entitled to some relief on taxes.
- Work out payment plan, if you owe.
- Earned income tax credit - increase amount of refund.
- Review withholding, if you typically get a refund, update your W4.

Housing:

- Turn off lights in empty rooms and turn off heat or cooling vents in unused rooms.
- Consult with utility companies to learn how you can save money and conserve energy.
- Have an energy audit performed by your utility company.
- Go to average billing on your monthly utility bill if available.
- Learn to do your own home repairs.
- Share lawn and yard maintenance equipment with friends and neighbors.