

**As The Economy and Your Finances Go Awry,
Where Do You Go for Assistance?**
Allen Martin, Ph.D., *Family and Consumer Sciences*
California State University, Northridge

The economy continues to challenge the average Californian to meet his or her financial responsibilities and obligations. Most have accepted that it is important to maintain expenses at a minimum; however, there are other issues creating barriers to progress.

Unemployment

The national unemployment figures rapidly approach 10% and in California, it is approaching 14%. These figures, as shocking as they are, do not capture the true state of employment. These statistics include people who have given up on finding a job, and those who are underemployed due to a lack of work, or forced furloughs. The official California unemployment rate approaches 14%, but the true figure is probably around 20%, a figure close to that seen in the great depression.

For those who have experienced or who face unemployment there are some resources available to them. These individuals should contact the Employment Development Department of California at www.edd.org. Currently, applying online is the quickest way to apply for benefits if you have been laid off, fired, or if your work hours have been substantially reduced. Another good reference and tool is www.theunemploymentadvisor.com. Their online submission form will help you maximize your chances of being awarded unemployment compensation benefits. Be aware that benefits are based on past wages. Typically, the amount has been capped

at \$450 a week; however, recent Obama stimulus money has raised this to approximately \$475.

Credit and Debt

When people find themselves with less income coming in due to unemployment, furloughs, or underemployment they are likely to turn to their credit cards. Others who have planned for debt, assuming a certain income, might find it challenging to make the payments as planned when loss of income occurs. Financial counselors recommend not letting debt accumulate or get out of control. Once you find yourself behind with your bills or not being able to make significant payments towards your debt, it might be time to seek professional assistance. Unfortunately your situation creates an opportunity for unscrupulous business practices targeting people in financial need. However, there are legitimate businesses out there that can offer assistance for a nominal fee.

For assistance with managing your debt, contact your creditors directly to negotiate more favorable terms. If this does not work out, contact Clearpoint Credit Counseling Solutions at www.clearpointcreditcounselingsolutions.org. Another good source is SpringBoard non-profit consumer credit management. They can be found at www.credit.org. Both agencies offer financial counseling, education, and debt management programs. These agencies receive much of their funding from contributions made by creditors who participate in debt management plans. Since creditors have a financial interest in getting paid, most are willing to make contributions to fund non-profit credit counseling agencies.

Housing Assistance

When you're hit by hard times, another expenditure category that is often difficult to manage is housing. For assistance with housing contact HUD – the Federal government's department of Housing and Urban Development at www.hud.gov. From this website you can find information on avoiding foreclosure, finding rental assistance, or a referral to a registered housing counselor. Their housing counselors can provide free or low cost advice on landlord tenant issues, foreclosure decisions, and housing credit.

Food Assistance

If you are having problems coming up with money to purchase food for yourself and your family, you can contact the California Association of Food Banks. To find one in your area, go to www.cafoodbanks.org. Food banks typically contain most of the groceries, including fresh fruits, vegetables, meats and dairy that you would need to feed your family. Often they also offer menu planning and nutritional counseling.

General Assistance

Most municipalities have a "211" dialing system. These call centers provide individuals and families in need with a short cut to a variety of health and human services and agencies. They provide referrals for: a hot meal; free or inexpensive health care; information on childcare; help with care for aging parents; employment resources; temporary shelter; addiction services; and where to volunteer to make a difference in someone's life. These services are usually multi-lingual, quite comprehensive and typically available twenty four hours a day, seven day a week.