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PRESS RELEASE

WEATHERING THE ECONOMIC STORM

Preparing Your Finances In Case Of A Layoff

SAN DIEGO, April 16, 2009: According to the Bureau of Labor Statistics, in March the United States unemployment rate hit 8.5 percent – a 25 year high. In fact, according to Smart Money magazine, economists aren't anticipating those figures to peak anytime soon.

If you have been lucky enough to have dodged a layoff, the possibility of one coming is undoubtedly in the back of your mind. Preparing for the worst-case scenario means simply having a plan for your finances, should you find yourself unfortunately a victim of our economic crisis.

Of course, it is always important to develop a budget for yourself and keep track of your frivolous spending, but times like these call for taking steps above and beyond the obvious precautions in order to really prepare yourself for the economic storm.

San Diego Metropolitan Credit Union would like to offer the following tips on how to prepare in case of a layoff:

Prepare Yourself For A Layoff

Save Six Months Worth of Income: Before getting laid off, it is important to save approximately six months of your income in an emergency fund. This will keep you and your family afloat while you look for a new job. Keep this emergency money in a liquid account like a savings or money market so that you won't have to pay a penalty if you need to access those funds sooner than expected.

Keep Your Resume and Network Contacts Up To Date: If you keep your resume and contacts current you will be able to immediately begin a new job search after being laid off rather than spending your time resurrecting outdated information.

Catch Up On Your Medical Appointments While You Have Insurance: Get you and your family in for yearly check ups and dental cleanings. Usually if you lose your job your medical insurance will remain active for the remainder of the month. But if you are laid off at the end of the month, you won't have time to make the necessary medical appointments before your insurance terminates.

Organize Your Financial Records: Whether you expect to be laid off or not, it is a good idea to keep your financial documents organized and in a safe place. Losing your job can be stressful enough, keeping the rest of your life in order can ease the process.

After Getting Laid Off

Negotiate For A Better Severance Package: Usually severance package negotiations are done when you are hired and that is when you have the most leverage, but try negotiating for more once you are laid off, especially if you have been with the company for a long time. Your supervisor might be sympathetic and they may be able to work out a more attractive package. It never hurts to ask, and the worst they can tell you is no.

Leave On Good Terms: When the economy picks up again, chances are your former employer will need to replenish their staff once again. If you leave on good terms they will think of you when the time comes. Or, your employer could have contacts and be able to refer you to someone else who might be hiring.

Consider COBRA: Utilizing COBRA will allow you to continue your health coverage after being laid off. On February 17th the Obama Administration signed an economic stimulus package, which included new COBRA laws. Under this new plan, workers who lost their job after September 1, 2008 and have an annual income less than \$250,000 will have to pay only 35 percent of the premium for the first nine months. The government will pay the rest. The difference is that before the passing of this bill, employees usually had to pay about 102% of the premium.

Find Part-Time Work: Your emergency fund will last longer if you have additional income coming in. It is ideal to find part-time or temporary work in your field, but look towards your hobbies and interests to find work options as well. But remember that your first priority should always be looking for a job and your part-time position should allow time and flexibility to continue your job search.

WHAT: Preparing Yourself For A Layoff

WHO: San Diego Metropolitan Credit Union

WHEN: Interviews are available immediately and ongoing

WHERE: In-studio or phone interviews available with San Diego Metropolitan Credit Union

San Diego Metropolitan Credit Union (SDMCU) is committed to its community and members and provides services to families and individuals to manage their personal finances. SDMCU has been in business since 1934 and serves over 20,000 members. SDMCU's corporate headquarters are located in San Diego and information about SDMCU is available on the worldwide web at www.sdmcu.org.

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