

LAID OFF?

TAKE THESE 5 STEPS

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[NerdWallet.com](https://nerdwallet.com)

Economists at the Fed's St. Louis district project total employment reductions due to COVID-19 of 47 million, which would translate to a 32.1% unemployment rate, NBC News reported March 30.

While it may feel like everything is out of your control, there are steps you can take to manage your finances and programs in place to help you keep your head above water.

It's important to remember: Scores of people are in the same position as you right now, calling the same banks, lenders and government agencies. Be prepared for long hold times; don't let that discourage you from getting the relief you need.

Step 1: Apply for unemployment benefits

In most cases, you can file online, but contact your state's unemployment office if you need help applying for benefits. Some workers who don't qualify for unemployment under normal circumstances — including contractors and people who file a 1099 form — may qualify now (or will soon) as some states expand unemployment benefits and the federal government works through legislation to cover a wider swath of workers.

Be warned: State unemployment offices are overwhelmed by the dramatic rise in claims. It may take several attempts to file your claim via phone or online, and benefits could be delayed as state agencies try to keep up with demand.

Step 2: Contact your banks and lenders

"Contact any company you pay regularly and see if they can waive or reduce fees for a while," says Tara Unverzagt, a financial planner and founder of South Bay Financial Partners in California.

Be proactive and ask for the help, stating specifically that you are financially impacted by the coronavirus. Many financial institutions are deferring payments on personal loans, auto loans, home loans and credit card payments for those who were laid off or are sick and can't work.

Federal student loan borrowers can now suspend payments for up to 60 days with no penalty or added interest. But it's not automatic. You have to call your loan servicer.

Step 3: Triage your finances

Cut out any nonessential spending for the time being. That may mean canceling or suspending gym memberships and subscription services, and even paring down your cable package. You can tap free resources to keep you entertained during this period of unemployment and social distancing.

Remember that these cuts are temporary. The goal here is to free up as much room in your budget as possible for the things that can't be paused.

Step 4: Tap into community resources

Schools may be closed, but some districts are providing free breakfast and lunches for students. Check your local district to see if there is a meal-pickup program.

Other community groups and industry associations are banding together to help those in the service, entertainment and hospitality sectors, which have been hit particularly hard by mandatory closures.

Community kitchens and food pantries in most areas are also stocked and ready to help.

Step 5: Apply for short-term help, if you need it

Some banks and credit unions are offering emergency loans to help cover the gap between the time you're laid off and when unemployment checks come in or you are able to return to work. These loans are typically for a few thousand dollars, maximum, with no payments for 60 to 90 days.