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FOR IMMEDIATE RELEASE

NAVY FEDERAL SHARES FINANCIAL ADVICE FOR THOSE FACING INCOME LOSS DUE TO SEQUESTRATION

VIENNA, Va. (May 20, 2013) – Navy Federal Credit Union is sharing financial advice for members and U.S. federal government employees facing a loss of income due to sequestration.

“Being prepared as early as possible and making sure your finances are in order can help you adjust to a reduced paycheck,” says Claudia Warszawski, personal finance manager at Navy Federal. “It’s so important to follow a sound budget plan. It won’t be easy, but every dollar saved can help you live comfortably within your new means.”

Navy Federal offers the following expert advice for individuals and families faced with a sudden loss of income in the upcoming weeks and months:

1. Set a Budget and Cut Unnecessary Expenses

Navy Federal recommends the first step when anticipating a loss of income is to assess your current financial situation. Review your new monthly income and subtract all anticipated, recurring living expenses, including credit payments. Adjustments are necessary if the resulting number is negative or too low for your comfort.

“Examine your weekly expenditures for areas where you can cut expenses such as dining out or entertainment,” says Warszawski. “Eliminating daily coffee trips, cable subscriptions and take-out lunches can put more money back into your wallet.”

For necessities such as groceries, cut costs by buying generic items, eliminating junk food and shopping at discount stores. Look for other areas that can be trimmed, too, like refinancing major loans and lowering monthly payments.

2. Adjust Your Means of Transportation

“With gas prices hovering near \$4 per gallon (depending on your location), your commute to work can be costly. Taking public transportation or finding a carpooling partner can help you save,” says Warszawski.

For instance, paying \$40 a week in gas totals \$160 each month. Cutting the weekly cost in half to \$20 by taking public transportation or carpooling amounts to \$80 per month. Over six months, that’s a saving of \$480. Over a year, you’ll save \$960. Additionally, less driving also means less ‘wear and tear’ on your vehicle and fewer trips for costly maintenance and repairs.

If carpooling or public transportation is not an option, seek out ways to get better mileage on your current vehicle or trade for a more fuel-efficient one. The U.S. Department of Energy's [website](#) features a variety of fuel economy tips and vehicle comparisons.

3. Make it a Family Goal

Teaching the value of a dollar can be more meaningful when the entire family gets involved. If you have a spouse and children, it's extremely important that they understand and assist in the new savings goal.

"Share with them your new financial challenges, stressing that everyone can play an important role. Bringing bag lunches to school, game nights at home, and free outdoor activities can all help the family save," says Warszawski.

If there are teenagers in the house, their involvement is even easier. With summer approaching, help them find a part-time job where a portion of their income can be contributed to family expenses. Additionally, everyone can participate in organizing a yard sale. Plan one, and you'll end up reducing clutter and getting paid in the end.

Having a family discussion about finances isn't easy. But, it will be a valuable lesson – especially for younger children – in teaching solid money habits.

4. Talk to Creditors

If in the end you find yourself still unable to pay some or all of your bills, contact your creditors immediately. Explain to them your financial situation and request information about their hardship programs where you may be eligible for temporary deferment or payment reductions.

"Navy Federal understands the difficulty that a federal government furlough could pose to families. To better serve our own members during this period of uncertainty, we've been asking them to call us on our special Sequestration Hotline at 1-877-874-0042," says Warszawski.

About Navy Federal Credit Union

Navy Federal Credit Union is the world's largest credit union with \$54 billion in assets, 4 million members, 229 branches, and a workforce of over 10,000 employees worldwide. The credit union serves all Department of Defense and Coast Guard active duty, civilian and contractor personnel and their families. For additional information about Navy Federal, visit www.navyfederal.org.

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