

## **HANDY HINTS FOR HARD TIMES – an NUJ Extra guide**

This is intended as a guide for NUJ members who find themselves facing economic challenges. It is primarily focused at freelancers facing a sudden reduction in income (as a result of losing clients, unexpected bills, or fees failing to keep up with prices etc), however, much of the guidance will be useful to others finding themselves in financial peril.

It is designed to provide a checklist and is, for the most part, no more than common sense. From long experience at NUJ Extra, we know that when times are hard, even the simplest ideas don't always come to mind, so we make no apologies for including here some very basic suggestions.

### **WHEN DOES A CRISIS START?**

There is no typical personal financial crisis. Financial models and needs vary enormously, as do individuals' abilities to live with the stress of stretched resources. Any of the following, however, should provide a point to give serious consideration to one's on-going financial well-being.

- Experiencing outgoings in excess of your incomings for three successive months (unless your work commands, large, occasional fees, such as book advances).
- Finding yourself with unexpected bills valued at more than one month's net income, that you don't have savings to cover.
- Finding that your income is insufficient to cover the replacement of uninsured equipment for which you rely on for work.
- Losing a long-term client who has provided 30% or more of your work over a long period.

This is not an exhaustive list, and you will know your own financial risk exposure and tolerance. Given the known vicissitudes of freelance work, whenever possible freelance workers should look to keep back savings at least equal to three months' average income to allow for unexpected shocks. We are aware that the income and financial discipline to do this elude most of us.

Very few freelancers will reach the end of their career without experiencing one or more of the above and most employees will experience a period of unemployment. Finding yourself in such straits should attract no shame. What really matters is how you cope. The good news is that millions before you have found ways through such situations. A great many will be happy to share their stories and advice with you. They can be an enormous source of advice, comfort and inspiration.

NUJ Branch meetings could be a source of contact in themselves, and your Branch welfare officer may also be able to help. You should also contact your NUJ official immediately if your situation is caused (or worsened) by the non-payment of a bill, dismissal or redundancy.

### **REALISING THAT YOU ARE IN CRISIS OR THAT CRISIS LOOMS**

#### **Make a plan as early as you can**

The earlier that you take action, the easier your life will be!

Doing some financial planning is a good way to clear your own head and will provide evidence that you are taking your situation seriously, should you need to provide it. List your monthly incomings and outgoings exhaustively and use this as the basis to try to work out what you can and can't pay, what deadlines you are working to, and how you might realign both columns.

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Give priority to financial obligations in the following order:

1. **Debts that can result in prison:** council tax, BBC licence fee, motor insurance (a legal requirement if you drive), fines or penalties.
2. **Debts that could result in homelessness:** mortgage, rent, essential maintenance for which you are responsible or might result in a breach of tenancy.
3. **Basic necessities and priority bills:** daily/weekly/monthly expenditure such as utility bills and food.
4. **Financial products:** pensions, insurance.
5. Credit card debts and unsecured loans

It is worth noting that the first companies to contact you and be the most persistent are loan and credit card companies, but these are the least important.

### CONTACT SERVICE PROVIDERS

#### Local Council

Speak to the council as soon as you think you may struggle to make payments. Each council has a unit to help people struggling. There may be benefits, discounts, repayment schemes available. Remember to ask about any additional benefits you may be entitled to.

Financial service providers have been issued strong warnings by the regulator, the FCA, about removing insurance from those struggling to pay – again contact your insurer at the earliest opportunity to explain your situation.

Mortgage companies are much more reluctant to repossess people's homes than during the negative equity and repossession surges of the 80s and 90s. At the first hint that you might have difficulty paying your mortgage, contact your lender and explain your situation. Some can provide payment holidays. Even if these do not exist in their formal policies, lenders will treat arrears more sympathetically if they have been warned in advance, and if you have persuaded them that you have a plan to extricate yourself from difficulties.

Obtaining leeway from landlords can be more challenging, and they are likely to be less sanguine about bringing a tenancy to an end if you are unable to pay. As with all other potential creditors, however, early warning that you may pay late will more often buy your understanding, than putting your head in the sand.

#### Other regular bills – including utilities

A similar approach is worthwhile with anyone else to whom you have a regular bill. Water and power companies can cut you off, but the process is quite a long one. There is considerable political pressure for them not to cut off customers and this can be played to your advantage, in extremis. There are also schemes to ensure basic broadband for those who can least afford it, for example. Contact your provider and ask.

#### Other short-term debt, including overdrafts and credit card bills

Early warning always makes late payment more palatable for lenders. They may offer alternative repayment terms or options for consideration.

**Remember:** All NUJ members are entitled to free legal advice from Thompsons solicitors. They may be able to help negotiate an acceptable repayment or debt write-off.

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### **Regular outgoings**

Be honest about what you can prune. Expensive club memberships, lease cars, and season tickets should all be subjected to the 'can I live without it' test. However, do bear in mind that financial difficulties can negatively impact your mental health so consider how you can remain fit and healthy without expensive gym memberships or luxuries.

### **Lifestyle adjustments**

It sounds obvious, but in good times we can all fall into expensive habits – restaurants, take aways, beauty treatments, evenings in the pub, sporting and cultural events and non-essential shopping. In the cold light of day, many are surprisingly expensive and cutting them out, even temporarily, can save a fortune. Treat this as an opportunity to rediscover such simple pleasures as an evening in your local park.

### **Don't leave the NUJ!**

The union offers reduced-rate membership schemes for those having financial difficulties and no member is required to pay contributions of more than one per cent of taxable income. The earlier you get in touch, the sooner they can be applied.

If the cause of your current financial difficulties is an accident, illness or other personal tragedy, the NUJ's charity, NUJ Extra may be able to provide grants or pay some bills. However, NUJ Extra cannot help those in financial difficulties because they are unable to make a living from journalism.

## **GENERATING INCOME**

### **Finding work**

It is assumed that you are taking vigorous steps to find fresh work in whatever is your field. At the heart of such an initiative should be a proactive campaign of 'putting your name out there.' This could include:

- Updating your LinkedIn status to 'available and looking for work'
- Emailing work contacts and telling them that you are in the market for work
- Seeking suggestions and introductions from existing contacts
- Targeting potential clients on social media to show off your talents
- Physically seeking out social situations where you might find fresh clients
- Listing yourself on work-search notice boards and forums.

You may take the opportunity to update your skills, the NUJ regularly provides professional training and colleges will often provide discounts to those on benefits.

Many also use such situations to re-evaluate their entire career and consider new directions. This can be deeply uncomfortable if you have committed your life to journalism. There are countless examples of people who have recommitted to their craft in times of hardship and gone on to new heights in the media. Equally, many go on into new fields, reorient their skills and enjoy productive and fulfilled lives. This is not the place to provide guidance on how one should make a judgement, save to note that seeking out the perspectives of those who have done both can provide helpful food for thought.

## **OTHER SOURCES OF INCOME -YOUR HOME**

These all depend on the location, nature and state of your home. Anything that involves letting your home may require you to inform your mortgage provider or landlord. Many choose not to do this, due to the potential for creating alternative risks. All require a

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judgement call on your part. Seek the advice of others who have followed similar strategies and make yourself aware of any risks that you are taking on. As a default, follow the rules.

### **Take in a lodger**

If you have a bedroom to spare, this is an easy way to generate a reasonably secure income. Lodgers in your own home do not acquire extensive rights (so you can legally ask them to leave if your circumstances change or you don't enjoy the experience). Check the rental levels being sought by local landlords for studio flats in your area. A reasonably nice room in a shared house is probably worth 40-50% of that which a nearby small flat might command.

The best thing about lodgers is that up to £7,500 of the income that you receive from them each year is tax free.

Advertise on local social media/email groups, newsagents windows, Gumtree and at local places of employment. There are several online directories where one can advertise for lodgers [www.spareroom.co.uk](http://www.spareroom.co.uk) being just one.

The best kind of lodger might well be one who wants your room for only four nights a week. Seek out large employers in your area who may bring in staff from afar.

### **Let your whole home**

Short-term tenancies generally run for six months. If there is a way that you could move out for such a length of time, and you have somewhere to stay – parents, children, friends, friends with empty or largely empty second homes, work that would naturally take you away – this is a good way to generate a sizeable chunk of money. It could be a way to pay off some debts before re-engineering your finances.

### **Airbnb, or holiday lets**

Conventional holiday letting will typically command a rate that is four times that of a residential rental. However, there is a much greater risk of voids, and there is the work involved in cleaning and preparing a home after each let. Airbnb has changed the way many people travel, including for work, and you may find professionals willing to rent a room for a few nights on a regular basis, however, the servicing requirements are high.

City locations are often desirable for only a few nights at a time, throughout year; or for those living in holiday locations, if you can make space available for a week or more at a time, you might make sufficient money over the summer months to live cover your repayments for the rest of the year.

### **Movie magic**

If your home is distinctive, typical of a particular archetype, or simply convenient for a particular film company, you might be able to rent it for use as a set. Most pay a generous fee and will redecorate once they are gone. Possible registration sites include: [www.ukfilmlocation.com](http://www.ukfilmlocation.com). There are several others.

### **Clear out and clean up**

Most of us stockpile far more household accoutrements than we can ever use or enjoy. A clear out can be good for the soul, as well as generating a bit of cash. Collections of vinyl records, some books, computer games, pottery, paintings, some furniture, jewellery, clothing and much more beside can be surprisingly valuable.

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### **Take some short-term work outside your usual area of employment**

The list of possibilities is so long, that there is space to do little more than scratch the surface here. At the time of writing (summer 2023) UK labour markets are tight, so temporary work in hospitality, adult social care, cleaning and construction are abundant.

Many other lucrative possibilities are available to a skilled professional. These include:

- teaching journalism
- tutoring children
- training
- teaching English as a foreign language
- copywriting
- proofreading
- putting on children's entertainment
- report writing
- bid writing.

All require their own skills sets, but many can be acquired quite quickly by those who have strong allied skill sets.

### **Further support and advice**

<https://www.citizensadvice.org.uk/>

<https://moneyandpensionservice.org.uk/>

<https://moneyadvicetrust.org/>

<https://www.begambleaware.org/>

<https://www.gov.uk/universal-credit/other-financial-support>

<https://www.stepchange.org/>

[www.nujextra.org.uk](http://www.nujextra.org.uk)

Tim Dawson and Chris Wheal  
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Ends