

Saving Matters For Those On The Job Hunt

The unemployment rate in the US declined slightly in May to 9.7% down from 9.9% in April. Although 431,000 jobs were created, most of them part-time and/or temporary, this fell well short of the 515,000 that was expected by analysts. With unemployment still high, getting a job remains challenging. There is increased competition in the labour market meaning you have to make yourself stand out from the crowd more than you have ever done before.

If you have recently become unemployed and are currently looking for a new job then you need to make your savings work harder for you so you can earn money without working. Savings rates in the US are low right now because the Federal Reserve has set the interest rate at just 0.25%. This means on a \$10,000 to \$24,999 loan, interest rates are only 1.4% at their best.

In the UK on the other hand, the base interest rate set by the Bank of England is marginally higher at 0.5%, however savings rates are much better. The Spanish bank Santander, which took over British banks Abbey and Alliance & Leicester now offers a competitive [savings](#) rate of 2.5% on its instant access online saver and 3.5% on its on two-year fixed-rate bond on balances of £10,000 or more – take a look at their site for more information.

Because the UK is also suffering from high unemployment and high inflation, these bank accounts are going some way to mediating to difficulties associated with unemployment when you are in between jobs. Because saving is hard when you are not working, in fact it is pretty much impossible, you need to make cut backs elsewhere. For example, try not to rely on your credit card. Interest rates are always super high and if you are not working, it is unlikely you will be able to pay off the full amount each month. If you do need some credit, think about getting a new card, as many banks and credit card companies will offer introductory offers such as no-interest on payments for the first three months. This could last you until you find your next job.

If you are struggling to pay bills, pay those that are secured against property first. You don't want to risk losing your home because you paid off another smaller and less important debt.

Finally, make the most of State and Federal initiatives to help and always put you resume on as many job sights as possible. If you are competing with 20% more people than before then you need to make yourself 20% more employable.