

# The Workplace

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## A Fact Sheet

### Job Loss Survival 101 (Part 1)

#### Highlights

Preparedness for job loss depends on:

- Attitude.
- Age.
- Educational attainment.
- Longevity with the company or organization.
- Mobility.
- Financial condition.

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Merger casualties only happen to other people? Wrong! Job loss can happen to almost anyone at any time. The better prepared you are, the better your position to cope with the loss and to continue with your life.

Your degree of preparedness is dependent on several components:

1. **Attitude:** Staying objective and positive is crucial to turning a job loss into an opportunity. When changing jobs involuntarily, keep in mind that corporate decisions often have nothing to do with you as a worker or as a person. Keep your objectivity by investigating corporate decisions to separate employees. In today's world of mergers, corporate take-overs and the trend toward a flat supervisory structure, most decisions to downsize or to restructure are often based on company earnings and product lines and orders. Understanding the reason for suddenly being displaced in the workforce helps you keep your perspective. You may also need recommendations from former co-workers, colleagues, and supervisors, and remembering good things about the previous job and the good times with friends from work will help maintain much needed positive relationships. A good attitude also helps keep you motivated as you look for another position.



Figure 1. Trends in Today's Job Market

2. **Age.** Regardless of how old you are, age can work in your favor. Workers under 40 tend to be in a position to negotiate a transfer to another division or site more easily. Because young workers often have less experience, they are more "affordable" to other companies and can easily

get a similar job or position in a competitive company. Workers over 40 tend to be in a better position to negotiate a better severance package, which may include better insurance and an early retirement. The experience level of workers over 40 tends to be broader and longer. If early retirement is possible, they have the luxury of exploring career options never possible before, such as starting their own company or landing a senior position in another company.

3. **Educational attainment.** Having technical or college training is certainly an advantage when job loss occurs, just as being really good at a technical skill makes a worker more valuable. The job market trend is toward high-end technology related jobs with high pay **and** low-end service jobs with low pay. (See Figure 1).
4. **Longevity with the company or organization.** The length of service to the company and the quality of work can help when negotiating severance packages. Employees who have proven themselves to be loyal, flexible, and have grown with the company tend to be more valuable.
5. **Mobility.** Being able to move to locations rich in appropriate employment is always a real plus to anyone's career. Being mobile depends on other factors, such as spouse's career and number and ages of dependents. If you are able to move with your job, companies will often allow good workers to relocate to another plant or location. If job loss has already occurred or is inevitable, then moving to a new location with a new job is an opportunity to begin

fresh with a new company, leaving hurt feelings behind.

6. **Financial condition.** Job loss can have financially devastating effects. According to financial advisors, having at least enough fluid savings to cover living expenses for six months is essential. The ability to pay for all living expenses for a minimum of six months will allow you to mount a job search to find a suitable position. More importantly, being able to meet financial obligations will prevent having to dip into retirement funds, which can have multiple and long lasting problems apart from the job loss.

There is no question that the longer the time span between learning about being separated and the actual separation, the better braced you can be. Although history has shown that most people find other positions quickly after losing their job, being prepared helps reduce the amount of time required by letting you concentrate on the opportunity you have just been given.

“ . . . being prepared helps reduce the amount of time required [to find another position] by letting you concentrate on the opportunity you have just been given.”

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**Sources:**

Robinson, J. P. (2001). *Best practices*.



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