

The Workplace

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A Fact Sheet

Job Loss Survival 101 (Part 2)

Highlights

Steps to help you survive a job loss:

1. *Keep your perspective.*
2. *Inquire about your company's policies on severance.*
3. *Analyze your financial situation.*
4. *Apply for unemployment benefits.*
5. *Consider part-time employment.*

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What can you do if your job is targeted for elimination? First of all, keep your perspective. Ask yourself the following questions?

- Did I do anything to cause the company to terminate me? Merger casualties only happen to other people?
- Is the decision to eliminate my job a local or a corporate decision?
- Am I marketable?
- Can I count on my soon-to-be former employer and co-workers for a recommendation?
- Am I prepared financially to be without a job for a short time?

Answering these questions can help you to face a sharp reality: Regardless of who is at fault for the job loss, you are probably not as well prepared as you should be. Remain calm and approach the separation as matter-of-factly as possible.

Second, as soon as you learn about the possibility of losing your job, inquire about your company's policies on severance. Negotiate for better terms, such as the inclusion of better health insurance or an extension on the separation date.



Third, analyze your financial situation.

Cutting unnecessary expenses creates a more positive cash flow necessary for routine monthly expenses.

- Determine how much money you will need for routine expenses. Ideally, plan to accumulate enough liquid cash to pay your living expenses for six months. If there is not ample time, a three-month cash reserve will help. It is important to try to live on a cash basis until you get another job.

- Cut unnecessary expenses. This may mean making a few temporary lifestyle changes.
- Set up a reserve account for depositing money saved due to lifestyle changes so that you can easily track the savings you have realized through changes in spending habits.
- Make sure your health insurance is secure. Under federal law, people who have lost their jobs have the right to continue their health insurance for a period of 18 months under the COBRA program. Under this program you pay the premium, which may be significantly less than purchasing a separate policy.

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- Try to reduce your overall indebtedness prior to missing a paycheck so that minimum payments will be decreased. Avoid making credit card purchases. Contact creditors about postponing payment on your bills until you have a job. Ask your mortgage company if they will accept payments for interest only for a few months until you are working again.
- Avoid long-term financial commitments.

Fourth, apply for unemployment benefits as soon as possible after losing your job.

Fifth, consider part-time employment. Working less than full-time would allow you time to mount a thorough job search while substantially adding to your resources. Meeting other people might also lead to a job lead.

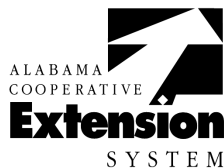
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