

Coping with Unemployment





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What is coping with unemployment?

Coping with unemployment means breaking away from the past and facing your future. It means dealing with the emotional, financial, and professional challenges unemployment can bring. Although this process can be painful, facing unemployment with a plan will help make coping with it easier.

Dealing with your emotions

When you lose your job

Losing your job is an emotional experience--whether you are laid off or fired, whether you quit or retire. Your feelings of self-worth are tied more closely to your job than you realize. Although you're certainly entitled to relax awhile after your job ends, it's easy to let a few days of sleeping late, watching television, and playing golf turn into a few months of inactivity. Be careful not to use your need to relax as an excuse to avoid facing your future. The more time that passes, the more likely you'll feel anxious and depressed about your future. Here are three tips on what you can do to keep yourself moving:

- Pretend that you're still working. You've probably heard the adage that finding a job is a full-time job. Well, it's usually true. So why not pretend that you're still working? You don't have to get dressed up for this job, but at least get out of bed at the same time and get going. Stop for lunch and then work again until late afternoon. Keep moving, and you'll accomplish your goal of finding a new job with a lot less anxiety.
- Set daily and weekly goals.
- Get a calendar and write down what you want to accomplish each day for one week. Be specific and reasonable. Don't write "call future employers." Instead, write "call the human resource departments at five publishing companies." Then, write down what your weekly goal will be. You might write "compile a list of five potential employers and send resumes to them." Setting goals will help you feel in control of your fate and will ultimately help you get a job.
- Reward yourself. Looking for a job is tough, so after a long, hard day of job hunting, reward yourself. For instance, promise yourself in the morning that if you accomplish everything on your list by three o'clock, you can go to the matinee of the movie you've been wanting to see.

Planning a financial strategy

When you lose your job

When you lose your job, you may be able to rely on savings or, in some cases, unemployment compensation to replace some of your lost income. However, if you don't have much money saved or are worried about how to survive financially, you should come up with a financial plan for unemployment. You should plan a financial strategy that will keep you afloat for six months, if necessary. Hopefully, you won't be unemployed that long but if you are, you'll be prepared. Make a list of ways you can save money and cut expenses and prepare a bare-bones budget that shows the least amount of money you can live on during your period of unemployment. Then, prepare a six-month financial plan that details to the extent possible how you plan to survive financially while you're unemployed.

Planning for life after your current job ends

Find out what unemployment compensation you may receive

If you are being terminated for any reason, find out if you will receive severance pay and what unemployment benefits you may receive. You're likely to receive severance pay if you are laid off, but severance pay is usually



based on the number of years you've been with the company. If you are laid off or fired, you may be eligible for unemployment compensation from your state. Your employer can give you the details. You should also find out when you will receive your final paycheck and if you are eligible for compensation for vacation or sick days you accumulated but never took.

Example(s): When Alice was laid off from her job as executive housekeeper, her employer gave her a final paycheck consisting of her last two weeks of salary and ten days' worth of pay for the vacation time she had accumulated but never took. She also received severance pay equal to one month's salary. In addition, her employer gave her the address and phone number of the nearest unemployment office, as well as information on how to apply for unemployment benefits in her state.

Find out about continuing your medical benefits through COBRA

If you work for a company with more than 20 employees, your employer must notify both you and your spouse (if any) via first class mail that you have the right to continue your group health insurance coverage after your employment has been terminated (unless it ended because of gross misconduct). Under COBRA, you can continue your benefits up to 18 months, and your spouse and dependent children may be covered up to 36 months. However, you'll probably have to pay the full premium cost plus a small administrative fee--your employer won't contribute anything. If you work for a company that has fewer than 20 employees, you'll have to check your state's laws to see if you can continue coverage. Some states have passed legislation that gives employees of small employers the right to continue their health care coverage for a certain period of time.

Determine how you will handle your retirement account or pension plan funds

If you will receive a lump-sum pension plan or savings plan distribution, decide where you want that money to go. It's easiest if you authorize your employer to transfer funds directly from your retirement plan to another retirement plan you have set up elsewhere. Although you may be tempted to withdraw money from your retirement account to provide much-needed income, do so only if this is your only option.

Find out whether your employer-sponsored group disability or life insurance policy is convertible or portable

When you lose your job, you may also lose your disability or life insurance coverage. Although disability insurance is rarely portable or convertible (you can't take it with you or convert it to an individual policy), your group life insurance policy may be.

Ask how the company handles inquiries about your employment

Afraid of being sued by vengeful ex-employees, many companies today will give only limited information about your employment. A few companies may be willing to give some information about the quality of your work, but, in general, companies may answer only factual questions such as your dates of employment. If you were fired, you may be happy if your company has a strict employment inquiry policy. However, if you quit or were laid off, you may wish that your employer would give out more positive information as well.

Line up references

If possible, you should line up one or more people who are willing to give you a good professional reference. Those you choose should be personally familiar with your work and hold positions in the company higher than your own. However, before you list any former supervisors as references, check with them; some companies forbid department managers or supervisors to give out information about former employees. Many individuals, however, will give out information anyway, but check with them first. You don't want to be surprised later if someone you list as a reference refuses to talk to your potential employer.

Finding a new job

Setting realistic expectations

It may take you a lot longer to find a job than you think. You may have to update your resume, research job openings, and interview more than once with a potential employer. You should expect the job hunt to last at least six weeks and be prepared for it to last at least six months, especially in a tight job market (one rule of thumb is to



expect it to last one month for every \$10,000 of compensation). You may also have to decide whether you're willing to move to a different area if you can't find a job locally.

Setting up a support network

Networking can mean either finding others who can support you emotionally when you're unemployed or finding individuals and printed materials that can help you find a new job. You can find emotional support through friends, relatives, job-hunters' support groups, or Internet sites. In addition, many resources are available to help you find a new job. You can find numerous books and newspapers at your local bookstore or library that will help you determine your career goals, prepare a resume, and research companies in your area. You can talk to professional job counselors, headhunters, temporary agencies, or image counselors (you may have to pay them a fee, in some cases) who can help you find job openings or line up interviews. You can even find jobs through the Internet or through your friends and family.

Starting your own business

Many people who have lost their jobs to company downsizing decide to start their own businesses and, after years of working for someone else, really enjoy being in charge of their own company. If you are tempted to start your own business, be aware that most new businesses fail quickly, often due to the lack of cash flow and thorough planning.

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