

SURVIVING A LAYOFF: KEEPING IT TOGETHER WHEN YOU LOSE A JOB



A free publication provided by
Consolidated Credit Counseling Services, Inc.
A nonprofit educational credit counseling
and debt management organization.

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CONSOLIDATED
CREDIT COUNSELING SERVICES, INC.
A Nationally Recognized Non-Profit Organization

Congratulations on taking this important step to a brighter financial future. Consolidated Credit Counseling Services, Inc. has been helping Americans across the country solve their credit and debt problems for more than a decade.

Our Educational Team has created over twenty publications to help you improve your personal finances. By logging on to www.ConsolidatedCredit.org you can access all of our publications free of charge. We have the tools to help you become debt free, use your money wisely, plan for the future, and build wealth. The topics Consolidated Credit addresses range from identity theft and building a better credit rating to how to buy a home and pay for college. On our web site you will also find interactive credit courses, a "Best of the Web" debt calculator, a personalized budgeting tool, and much more.

We are dedicated to personal financial literacy and providing a debt-free life for Americans. If you are overburden by high interest rate credit card debt then I invite you to speak with one of our certified counselors free of charge by calling 1-800-253-8708 for free professional advice. We also have partnership programs available where groups, businesses, and communities can hold financial workshops and received free money management guides and workbooks like the one you are reading now. Please call 1-888-253-8709 if you would like to discuss pursuing a personal financial literacy program.

Sincerely,

A handwritten signature in black ink that reads "Gary S. Herman". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Gary Herman

President

Consolidated Credit Counseling Services, Inc.

Surviving A Layoff: Keeping It Together When You Lose A Job

Losing a job is one of life's most stressful events. There are both practical and emotional sides to losing a job. On the practical side, you're faced with how you will pay your bills and find a new job. On the emotional side, you may feel ashamed, betrayed or angry that you've lost your job. It's easy to become overwhelmed and take actions that may affect you for years to come.

On the other hand, in the long run, losing your job may open the opportunity for you and your family to pull together, do some of the financial planning you've been putting off, and perhaps even to find better paying or more satisfying work.

Financial Strategies

Many people underestimate the time it will take to recover financially from a job loss. They continue with their current spending, often using credit cards to fill in the gaps. But those debts can quickly add up and become unmanageable if it takes longer than expected to land a job at your previous pay.

Here are some financial steps you need to take to protect yourself in a job loss:

1. Find out whether you are entitled to unemployment benefits, and if so, how much. Visit www.dol.gov and click on “unemployment” for information on unemployment benefits and links to your state’s information. Find out the rules and apply immediately to avoid delays. Don’t forget that unemployment benefits are taxable as income. If you don’t withhold taxes on them now you may end up with a larger than expected tax bill come April 15th.
2. Check your benefits. Find out what kinds of severance you may get, whether you can keep the money you’ve accrued in a company retirement plan where it is, whether your company will offer job placement or resume writing assistance, and whether you have unpaid overtime or vacation pay that you’ve earned. If you aren’t leaving on negative terms, you should at least ask your supervisor for a reference letter and some suggestions for your job search.
3. Make a budget. This can be a real chore when things are good, much less when you are under the stress of a smaller income. But if you don’t have a good sense of what your monthly expenses are, it’s very easy to quickly run up a lot of debt. Visit Consolidated Credit’s Learning Center for a

free budgeting guide.

4. Create a plan for your bills. If you believe you will have trouble making the payments on your bills, get help sooner rather than later. If you wait too long you may make mistakes that lead to bankruptcy. You can try calling your creditors to work out a lower payment arrangement on a temporary basis, but keep in mind that if your unemployment stretches out longer than you expected, they may not be sympathetic. It can be very helpful to get the assistance of a non-profit credit counseling agency like Consolidated Credit, which can work with your creditor on your behalf so you can focus on your job search.
5. Stay insured. If you were covered by health insurance, you may be able to continue your coverage under COBRA. You'll likely have to pay the entire premium, plus a 2% administrative fee, but it can be better than going uninsured. It is also a good idea to talk with an insurance agent about your options for getting temporary or individual health insurance, which in some cases may be cheaper than COBRA. For more information on health insurance options, see Consolidated Credit's free brochure, *Cutting Healthcare Costs*
6. Make contingency plans. While it may be difficult to think about, consider your contingency plans if you can't find

a job soon at your old salary. Do you have assets you could sell (a boat, or an extra car, for example?) Could you downsize to a less expensive home? Do you have a cash value life insurance policy you could tap? Just be careful that you don't wipe out everything you own without getting a professional review of your options. Raiding your retirement funds or tapping your home equity to pay the bills may seem like a good idea at the time, but if your job loss extends longer than you expected you could end up with nothing to fall back upon.

7. Get creatively frugal. Look at each expense and see where you can make changes until you're back on your feet. Eating out, for example, may seem like a necessity when you are busy working but could be stopped while you have more time to shop and cook. In Consolidated Credit's Learning Center, you'll find several free brochures to help you cut costs in common budget areas like food, vehicles, and energy.
8. Ask for help. Many people who have worked hard all their lives are ashamed to ask for help from government and community agencies when they need it. Don't be. You pay for that help when you are working through your taxes and the money you give to support charitable organizations. Find out what resources are available in your community and get the help you need.

9. Temp it. Temporary work may not be your first choice, but it can help pay the bills. If you treat it like a “real job” you may even be asked to stay on after your assignment is over. The best part about temping is that you get to try out different employers and jobs without making a long-term commitment.

10. Understand your options. Learn what your options are if you can’t make your house or car payment. You should always talk with your creditors before you fall behind, but understanding what can happen in those situations may help alleviate the fear of the unknown. Visit Consolidated Credit’s Learning Center for free brochures that explain these topics.

Job Search Strategies

1. Review yourself. You’ve had job evaluations in the past. Now it’s time for you to evaluate yourself. What are your skills? What have you most enjoyed in your past jobs? What didn’t you like? What would you like to do more of? Spending some time in reflection may help you think of new jobs or careers you’d like to try.

2. Prepare the paperwork. You’ll likely be filling out a lot of

applications, so gather your information together. Where did you work, and when? What were your job duties and accomplishments? You may want to put all this information, perhaps in a resume format, so you'll have it if you need it.

3. Review your credit report. Most employers these days conduct a background check, and that often includes a review of the employee's credit report as well. Check yours in advance to make sure it's correct and up to date. Several free brochures in Consolidated Credit's Learning Center will help you understand credit reports and scores, and fix mistakes.
4. Keep your eyes open. Personal references are the best way to find and get a job. So contact everyone you know for ideas and suggestions of potential jobs and employers. Ask if you can use their name when contacting a referral, and don't forget to thank them afterward.
5. Go on a hunt. Look for jobs online, in your local newspaper, and through local employment agencies.
6. Visit the library. Your local library should have a large number of books that can be helpful for everything from writing a resume to figuring out what you want to do next. *Changing Careers for Dummies* by Carol McClelland and *Cool Careers for Dummies* by Marty Nemko are just two examples.

Be Smart!

Be very careful about providing personal information to a prospective employer over the Internet. Some identity thieves have used fake job openings to gather information about consumers. These job postings can appear very legitimate so be careful. Before you provide personal information over the Internet, call the company through a published number and verify that the job posting is legitimate.

7. Prepare for job interviews. Choose clothing you want to wear to interviews and ask for feedback from family members or friends. Practice answering interview questions. Pull together documents you'll need (generally your driver's license and Social Security card).
8. Consider a career change. If you worked in an industry that is declining or sending jobs overseas, you may want to consider a career change. Before you do, however, see if you can find a way to work or intern in some capacity in that new field. You don't want to spend two years becoming a medical assistant, for example, only to learn you don't like working with patients!
9. Start your own business. Your own business could be a way for you to shift gears and earn good money doing what you choose to do. But it's also very risky. Most new businesses don't make it through the first two years. So if you are

going to start a new business, choose one with a solid track record and get advice from others with experience. Consider temping and starting your business on the side until it takes off. Unless you have plenty of money in savings and investments, now is not the time to take a chance on an unproven idea.

Coping Strategies

Losing a job ranks near the top of the list in terms of stressful life events. It's easy to say that you should stay positive while you're looking for a new job, but doing that is another matter. Work is a major part of our identities, and not having a job can be frightening.

1. Take it easy on yourself. Losing a job is traumatic. In many ways, it can be more exhausting and stressful than when you were working. Understand that it's normal to feel a wide range of emotions including a sense of helplessness, fear about the future, and resentment toward friends and family who "don't understand."
2. Get help. Talk to your doctor or a mental health professional if you're experiencing panic attacks, anxiety, or depression. Don't assume you should just "snap out of it." You may need outside help. If you are withdrawing from family member or loved ones, or find yourself frequently fighting or arguing with them, get help.

3. Help your children. If you have children, they may pick up on a lot more than you realize. Talk with them openly about what happened, answer their questions, and let them know it's your job to take care of the family. There are a few books that can be helpful in talking to your children, including *My Mommy Lost Her Job Today* by Judy Delton or *When a Parent Loses a Job: A Workbook About My Parent's Job Loss* by Denise McNaught.
4. Develop a routine. Give yourself a reason to get up in the morning. Set a schedule for researching jobs and making phone calls. Get out to network with others. Avoid the trap, though, of finding busywork to fill your days if it means avoiding the job search you're dreading.
5. Exercise. Do something (inexpensive) that you enjoy but perhaps have been putting off because you were too busy to do. Walking, biking or gardening can all be good for relieving stress and keeping you healthy.
6. Don't dump it on your spouse. If you have a spouse or partner, don't expect them to provide 100% of your moral support. Keep the lines of communication open, but realize you may need to find another person who understands what you've been through. They may be grieving and scared, too.
7. Join a support group. Getting together with other people who

understand what you are experiencing can be very helpful. Check with your local unemployment office or look online. The Riley Guide (www.rileyguide.com), for example, offers a list of support groups both locally and on the Internet.

Additional Resources:

Advice and Links to Career Resources: CareerOneStop.org, RileyGuide.com, and www.careerplanning.about.com are especially helpful.

Staffing placement resource: For local offices contact Manpower at www.Manpower.com. To schedule an appointment with Spherion call 866-774-3745 or visit www.worksherion.com

COBRA: Frequently asked questions about COBRA are answered on the US Department of Labor's website at: http://www.dol.gov/ebsa/faqs/faq_consumer_cobra.html

Cutting Costs: You'll find numerous money-saving strategies at goodadvicepress.com

National Employment Law Project: www.unemployedworkers.org

Unemployment Insurance Information: Links to information about state unemployment benefits can be found at www.ows.doleta.gov/unemploy/

About Consolidated Credit Counseling Services, Inc.

Consolidated Credit Counseling Services, Inc.'s mission is to assist families throughout the United States in ending financial crisis, and solving money management problems through education and professional counseling.

We are a consumer oriented, nonprofit, tax-exempt, public education organization. As an industry leader, we provide credit counseling and debt management services throughout the United States. Consolidated is dedicated to educate, motivate, and empower consumers through educational programs that influence people to refrain from overspending and credit card abuse as well as to save and invest. We sponsor local free seminars that are also available to any group or organization that requests our educational services.

Since 1993, our Counseling Department has been receiving hundreds of calls a day from consumers who have simply become overwhelmed with debt. Many are considering bankruptcy. Others are making payments towards their debts every month and getting nowhere. All are in search of a viable alternative. Often, words of encouragement or basic advice are all that is needed.

Our organization is funded primarily through voluntary contributions from participating creditors. Our programs are designed to save our clients money and liquidate debts at an excellent rate. Consolidated is a member of the Better Business Bureau, the United States Chamber of Commerce, the Greater Fort Lauderdale Chamber of Commerce, the Association of Independent Consumer Credit Counseling Agencies, Bankcard Holders of America, and the American Collection Association.

Gerri Detweiler is Consolidated's educational director. She has written numerous books including *The Ultimate Credit Handbook*, which was featured in *Money* magazine as one of the five best new personal finance books of the year when released. Ms. Detweiler has been quoted in thousands of publications including the *New York Times* and the *Wall Street Journal*. She co-



hosted an award-winning syndicated financial radio program, and has been a guest on *The Today Show*, *Dateline NBC*, the *CBS Evening News*, and *CNN*.

Ms. Detweiler has testified before Congress and lobbied on behalf of consumers protection measures. She is the former executive director of Bankcard Holders of America, as well as a policy director for the National Council of Individual Investors. She has also served on the Board of Directors for the National Coalition for Consumer Education as well as Experian's Consumer Advisory Council.



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Consolidated Credit Counseling Services,
a nationally recognized non-profit organization,
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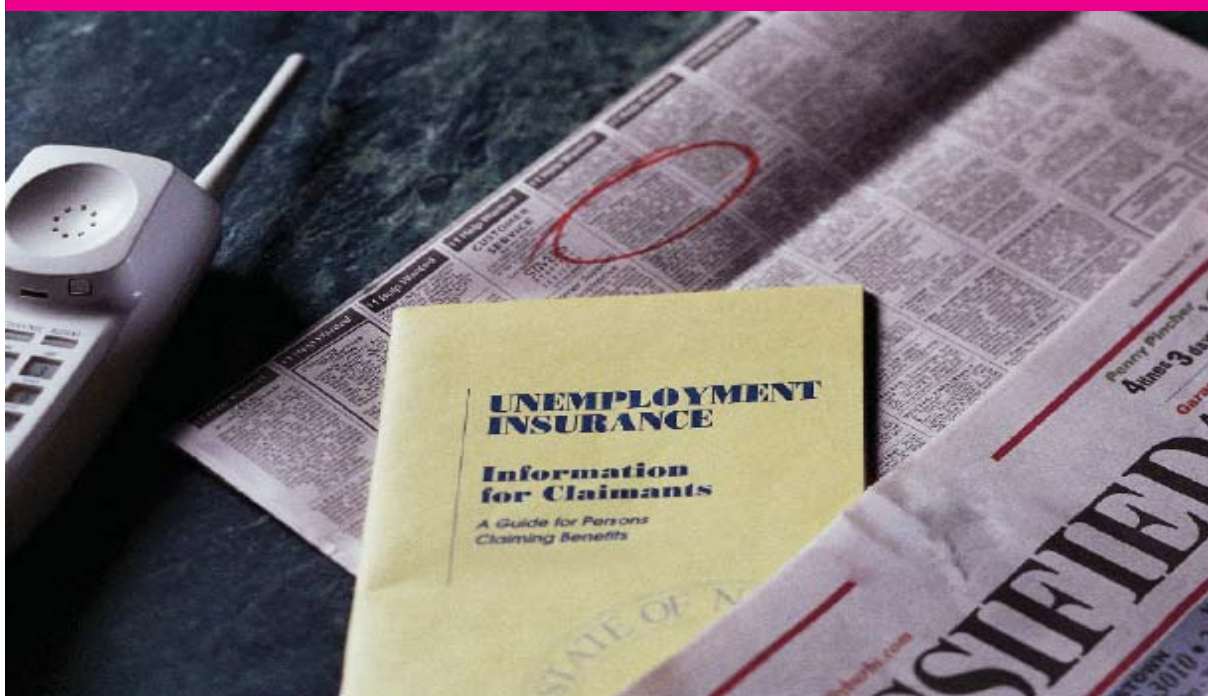
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