

If a layoff looms, be prepared

by Jason_Alderman

The days when most folks joined a company right out of school and remained until retirement are long gone. Today, people intentionally change jobs numerous times during their lifetimes. Unfortunately, such changes aren't always voluntary, as anyone who's been laid off knows.

If you've recently been laid off or fear one is around the corner, here are a few ways to cope with what lies ahead:

Rein in expenses. It may take months to find another job, which could wipe out your savings. If you don't already have one, create a budget and stick to it like glue. Know exactly how much money you have and track all expenses. Postpone major purchases (car, vacation, new clothes) and trim smaller expenses: Avoid restaurants and cook at home; cancel cable TV; wear a sweater and turn down the thermostat - there are hundreds of ways to save money.

Have a rainy-day fund you could live off for at least three months.

Curtail retirement savings. If you're still employed but fear the worst, this may be the one and only time it makes sense to temporarily halt your 401(k) plan contributions. You may need that money to survive the next few months and early 401(k) withdrawals come with steep penalties. Besides, you may be able to make a lump-sum contribution later if it was a false alarm. Consult a financial professional about your particular situation and if you don't know one, www.plannersearch.org is a good place to start your search.

Ask about severance benefits. If you're laid off, find out what benefits are available. Many employers offer severance pay or help with COBRA health insurance premiums; however, they have no legal obligation to do so. Many companies also provide outplacement counseling, which may include professional assistance with resume writing, interview skills and job searches, or even office equipment usage.

If your company doesn't offer outplacement, visit www.careeronestop.org, a U.S. Department of Labor-sponsored website featuring career resources and connections to local career centers that provide employment and training opportunities. AARP also has a comprehensive guide to surviving job loss, including discussions about age discrimination and employee rights (www.aarp.org/money/careers/jobloss).

Apply for unemployment benefits. If you become unemployed and meet certain eligibility requirements, you may qualify for unemployment insurance while looking for a new job. Go to www.servicelocator.org/OWSLinks.asp for details.

Polish your resume. You may be competing against hundreds of other job applicants, so make sure your resume stands out from the crowd. It should accurately reflect your accomplishments and show potential employers you have the experience and qualifications they seek. Use concise, strong language and an organized appearance. It's a good idea to update your resume regularly, especially after a promotion or changed job responsibilities.

Alert your network. Let family and friends know you're looking; they may know about opportunities or spread the word on your behalf. Seek out networking events sponsored by the Chamber of Commerce, local colleges, trade associations or other business and social organizations - even volunteer work.

Track job-search expenses. If you itemize income tax deductions, many job-search-related expenses are deductible, including resumes, business cards, phone calls, unreimbursed job interview trips and career counseling.

For more tips on what to do if you lose your job or during other unexpected life events, visit Practical Money Skills for Life, Visa's free personal financial management site (www.practicalmoneyskills.com/unexpected).

Being laid off can be very stressful, but if you're prepared with a good game plan, you can minimize the time you are out of work - and the pain that goes with it.

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