

## Strategies for Coping with Job Loss

### Job loss can be devastating

The loss of a job can happen to anyone. In today's economy, most employees are subject to possible layoffs, cutbacks, and even capricious firings. The results can be devastating.

Some people lose their homes, and most people experience emotional pain as well as financial turmoil. What can a person do to ward off such devastation?

What would you do to survive and recover? To lessen the potential impact and pain, there are some strategies you might consider for dealing with job loss either after it occurs or, preferably, before.

### Strategies that can make a difference

**Plan ahead.** Even if your industry, your company, and your position are relatively secure now, it may prove beneficial to prepare for the unexpected. Begin now to examine your options for employment beyond your current position. Explore related job-market openings from time to time. Consider those types of employment you could enter as a step up, a lateral transfer, or even a step down if the situation warranted it. Make some simple charts of various fields, careers, and positions of employment that you would find acceptable. Consider some realistic alternatives to the type of work you are currently performing, and inquire about the requirements involved for employment or self-employment in those areas that take advantage of your knowledge, talents, skills, and interests.

**Increase potential.** Your appeal to employers depends in large part on what you offer them. Many job announcements mention very specific capabilities, credentials, or experience. Study the job announcements published in the newspaper and on other vacancy lists to identify those requirements that appear most frequently. With this knowledge, you can take better advantage of opportunities while you are currently employed to gain additional skills and experience. You might also take classes, do volunteer work, or work part-time in areas that would advance your job-related skills and experience. Seeking and achieving certifications and licenses would also help to expand and improve both your job resume and your employment opportunities.



**Stabilize finances.** If your finances are shaky now, they will be doubly troublesome if you should lose your job. Now is the time to get things in order. Large debt balances and credit payments make anyone's finances extremely vulnerable to financial setbacks and possible disaster. As much as possible, try to keep your overall debt well within your capabilities. Pay down your balances as

quickly as you can, and do not take on new debts until you have the old ones under control. Overly tight budgets are frequently the result of spending that expands too quickly for the amount of income available. Pacing your new expenditures more slowly and building significant equity in your home, car, and other essential resources will provide the base you will need to ride out the ravages of unemployment.

**Take action.** If unemployment strikes, it is very important to act quickly to reduce your expenses and gain needed income. Decreasing living expenses is like trying to stop a runaway train—the momentum is enormous. Therefore, the sooner and more effective your efforts, the better your chances of coping successfully and recovering over time. Develop a zero-based budget in which you include only your most essential expenses, and keep within your reduced level of income. If you have mortgage and credit payments you cannot make, be sure to notify your creditors and seek credit counseling as soon as possible. To gain needed income, take advantage of whatever lower-wage, part-time, or temporary employment you can find while you wait for better opportunities to come along.

**Maintain strength.** Try not to let yourself or your family become discouraged or disheartened by the very real pain of job loss. Try to do more together. Encourage one another. Take the time to keep everyone informed and involved in what needs to be done. Children, in particular, often respond positively and creatively when they are told that their help is needed and appreciated.

*Ron Wall*

*Extension Specialist in Family Economics and Management*