

The Laid-Off Low Down:

7 Secrets for Surviving Job Loss in a Bad Economy

by Richard Bayer, Ph.D., Author, *The Good Person Guidebook*

Was your job another casualty of the current economic crisis? Not sure what your next step should be? Here's how to survive your job loss until you find a new (and better!) career.

It's no big secret: The economy stinks, the stock market is struggling, and businesses everywhere are taking drastic cost-cutting measures just to keep their doors open. And if you are one of the "costs" that has recently been cut—or if you just see the handwriting on the wall—you're feeling America's financial crisis in a very painful and personal way.

It's tempting to crawl under the covers and hide out until the crisis is over, but you simply don't have that luxury. However, you'd better get busy preparing and executing your own lay-off recovery plan.

No one enjoys looking for a job, even in the best of times—which these clearly aren't. It's a process fraught with stress, rejection and a lot of tedious leg work. But with a smart strategy for handling your finances, managing your time, and executing your search, you can turn what could be a full disaster to merely a bump in the road.

The Club offers the only career program in which members meet with professional coaches and peers on a regular weekly basis in a friendly, club-type format. The Club offers small group career coaching across the U.S. and Canada.

Approach the time immediately after you've been laid off with the same sense of purpose you felt on your job. Resist the urge to think of unemployment as the end of the world, no matter how upsetting it may be. Think of it, instead, as an

opportunity to improve yourself and make a fresh start. You can end up better off than you were before you got the axe.

The fundamental rules for surviving your job loss are simpler than you think. Read on for some tips to help you survive—and thrive—after the proverbial pink slip has been laid on your desk:

1. Negotiate the best possible severance package. (Hint: don't automatically go for the cash!) There are two keys to getting the best possible severance package:

First, whether it's the cash settlement or career coaching benefits, negotiate each item individually. This will give you more leverage.

Second, decide what you want out of a severance package, without regard for the company's policy. Many employees simply don't know what they can ask for in their severance talks, but it pays to research this issue and give it some careful thought.

When you approach the severance issue, think of what will truly benefit you in the long term. Health insurance, for example, costs the company less than it would cost you. You can also ask for one year of career coaching and the right to select the coaching service.

People often underestimate how much time it will take them to find a new job so they accept cash for the entire settlement. The reality is the time in between jobs can be far less worrisome when your health insurance is covered and you have career coaching to help you stay positive and find a great new job.

Cash may ease the pain in the short term, but it's these other benefits that

will set you up the best if you are searching for a job for a long period of time.

2. Don't take it personally. Layoffs are usually the result of an organization's budget cuts and lack of business—and not a direct result of poor performance. Remember that lots of good people get downsized, and in today's economy it's happening more than ever.

If you are the company's most recent hire, or if your department is being cut out entirely, then your position can be in jeopardy regardless of how well you've done your job.

But perhaps the most important thing to remember is that you're being laid off because your employer is having troubles in this tough economy—which doesn't mean that you can't still be a valuable employee to someone else.

Seventy-eight percent of the unemployed people who belong to The Five O'Clock Club get a job whose salary is equal to or more than their previous pay. And while it's not always possible to achieve that in our current tight economy, there are still plenty of companies who are in desperate need of quality employees. We stress this fact at The Five O'Clock Club. Remember that there is something else out there for you, and chances are, it's a great opportunity that will improve your future.

3. Live as though finding a new job is your job. If you are used to showing up at the office from nine to five every day, it can be daunting to suddenly have hours of unscheduled time on your hands. You need to find a way to maintain structure in your life and to keep some sort of day-to-day routine. A great

way to do this is by using your old work hours to focus on your job search. Use that time to join trade organizations, schedule interviews, and network as much as possible.

At The Five O’Clock Club, we recommend that an unemployed person spend at least 40 hours a week on his or her search. If you do this, you’ll find that you have less time to lament your recent layoff and less time to sink into the negative thought patterns that are associated with it. Once your search pays off, you’ll be glad that you hunkered down quickly and devoted so much time to finding a new job that’s right for you.

4. Manage your money responsibly.

Whether you receive severance pay or not, the way you manage your money immediately after being laid off will determine your worry-levels during the foreseeable future. If a cash settlement is part of your severance package, you might be tempted to maintain your current living standard while you search for a new job. However, that money can disappear quickly, especially if you are left to pay for your own benefits. Most people assume that they will find a new job within 30 days of their job loss and are surprised that it can actually take much longer. Create a budget so that you can see how long you can live off of your severance pay. To make your severance money last as long as possible, cut back on any unnecessary living expenses for the time being, and get started in your search sooner rather than later.

If you didn’t receive any severance money, you’ll also want to create a post-job budget as soon as possible. Take a look at how much money you have, which bills are coming due, and which expenses you won’t be able to cut. Make sure that you can pay your critical bills—mortgage, car payment, insurance—and don’t spend money on anything extra. You may have to cancel an upcoming vacation or get rid of your cable TV, but you will be glad in six months time that you didn’t rack up credit card debt and that your savings

are still intact.

5. Expand your search. Just because you worked for a large corporation in a large city doesn’t mean that’s the only type of job you are qualified to do. If you are searching only in Los Angeles, for example, think of looking outside of the city or even in a different state. Or if you are looking only in large public corporations, consider small or private companies.

Your personal talents can lend themselves to a variety of different job titles. You just have to be open to them. Searching for a job outside of your comfort zone can sometimes open you up to some great unexpected opportunities.

6. Be picky. If the bills keep rolling in and your paychecks have long since stopped, it can be easy to panic and take the first job that’s offered. Don’t leap into the wrong job. It’s important that you take your time, keep your cool, and ultimately make the right decision for you.

If money is low, get an interim job. It may not be something that you would want to do in the long term, but it will provide you with a steady paycheck during your job search. This way, you’ll have money coming in and you will be free to keep searching until you’ve found the right job for you. Taking the wrong job and ending up being miserable could cause a string of job hops that will cost you valuable time and effort.

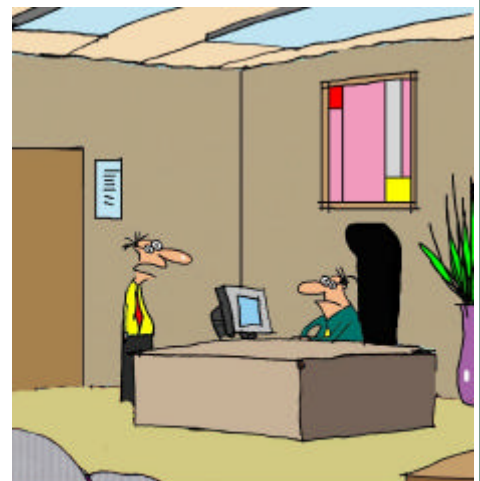
7. Start your own business. While it may not be feasible for you to start your own small business from the ground up—complete with angel investors and expensive staff members—it may be just the time for you to put your talents to work as a freelancer. Are you a prolific writer or a marketing ace? Use your business savvy to start freelancing while you are searching for a new job. This step can provide a cushion of income in between jobs and maybe even continue

to supplement your income once you’ve landed a new gig.

Even better, the business in the meantime will keep your skills sharp and provide great references for your résumé. And doing work in between jobs can show a potential employer that you are motivated and that your skills are desirable.

Now, more than ever, is when being proactive about it counts the most. We live in an economy in which there are fewer jobs and more people looking for them, and the competition has never been so tough. This is just the reality. And as hard as it may seem at the time, the more objective that you can be about your job loss, the better the end result you will create for yourself. Don’t let losing your job define who you are, let the way you handle it define who you will be. ●

Richard Bayer, Ph.D., an economist, ethicist and author on labor economics, is the Chief Operating Officer of The Five O’Clock Club. He is the author of The Good Person Guidebook: Transforming Your Personal Life (Five O’Clock Books, 2008, ISBN: 978-0-944054-16-1, \$14.95) He has been a frequent guest on local and national media including the TODAY SHOW, CNN and others. He and the Club have also been featured in The Economist, Success magazine, FORTUNE magazine and other publications.



“Except for the pay, the hours, the benefits and the cut-backs, it’s been a real pleasure working here.”