

How to... survive a layoff

You've lost your job, but it's not the end of your career. Get the help you need to set you back on track with advice from the experts.

1. Don't panic!

After a job loss, it may seem like your world is crashing in all at once. Stay calm and resist the urge to make any sudden moves -- like sending a scathing e-mail or making a scene on your way out -- that could hurt you in the long run.

"It's completely normal to feel panic after a job loss," says Lynn Joseph, Ph.D., psychologist and author of "The Job-Loss Recovery Guide." In fact, it may feel like the rug has been pulled out from under your career -- and your life, she says.

Your self esteem can also take a hit, especially if you think you've been singled out. "Logically and intellectually we know that (we may have been part of a mass layoff), but emotionally we take it personally," Joseph says.

With so many emotions at play, the key is to think before you act. Remember, your goal is to leave your job gracefully and with integrity.

If you're granted an exit interview, be careful what you say. Don't use it as an opportunity to put down the company. Instead, take the time to get answers to any questions you might have.

Avoid immediately jumping into a job search, Joseph warns. "Traditionally we work with interviews and resumes before we work with the emotional loss of a career. We are not taking it in the right order," she says, and advises that you take a few days off to calm yourself down and deal with your emotions. You don't want to land a job interview and break down explaining what happened to you. Get your emotional and body language under control before you attempt to go on the interview trail.

Also, don't over-think things or feel as though you have to do damage control when others ask about your job, explains Robert Leahy, Ph.D., clinical professor of psychology and author of "The Worry Cure." Leahy says accepting reality is essential to making it through this difficult time.

"Unemployment is part of every market economy. Take a matter-of-fact approach. You have a choice: If you cope with it poorly, you'll drink more, you'll smoke more, ruminate and isolate yourself," he says. "A lot of people think that rumination will help you solve the problem or will help you find closure ... The disadvantage is that it makes you depressed and it makes you withdraw from people."

It's a normal reaction to grieve the colleagues that you built friendships with over years of work. "People do go through the same stages of grief after losing a job that people experience following the loss of a loved one," Joseph says.

The stress and anxiety of losing your job will take time to settle. Don't rush yourself.

2. Negotiating a severance package

You may have worked for your company for several years or maybe you were "last hired, first fired." Whatever your situation, after a layoff most companies will provide a severance package.

Your company's attorney may tell you they've done everything consistently, treating all employees equally. HR consultant Eve Framinan recommends asking questions about how your severance was determined and what "objective criteria" was used to make the package fair.

Most employers will require you to sign "a complete release of claims against that company," says HR expert Lily Garcia, who is also a lawyer. Basically, what your employer wants from you is legally binding insurance that you are not going to sue them for any reason. In exchange, they are willing to offer you a set amount of money, typically calculated in weeks of pay and based on company seniority.

But before you sign on the dotted line, this is the time to ask for what you need from your employer. Keep in mind that with the current state of the economy, many companies may not be able to take negotiations too far. Don't be aggressive; you can take a casual approach by empathizing with your employer while still putting your needs first. Some points to ponder:

If you're full time, ask if your company would be willing to keep you on a part-time basis.

Ask about your health benefits, and how long they will continue. Find out if you're eligible for COBRA (Consolidated Omnibus Budget Reconciliation Act), a health benefit provision that provides continuation of group health coverage that otherwise might be terminated.

Ask about your retirement account or pension. Can you access those if you need them?

Do you have any unused vacation days? Find out if you'll be compensated for them.

Did you sign a non-compete clause preventing you from working for a competitor company? In most cases if the competing company really wants you, they will pay a fee to have you released from this clause.

Find out if your company offers outplacement services.

Ask for a reference letter, which can help you later in your job search.

Ask for more informal items, too, like extended use of a your work laptop or access to a company car.

There is nothing standard about a severance package. It all depends on your unique situation and how fair you think the severance offer is. You need to be aware of what's available to you, so don't be afraid to speak up.

"It's reasonable for an employee to ask, 'How did you select the people that are being laid off? What is the basis for my notice period?' " says Framinan.

You may not feel the need to negotiate. Or, if you think you have some leverage or potential claims, it's always best to get legal counsel, Garcia advises. If you do decide to consult a lawyer, be sure that there is a valid reason and that it's not because you want to get back at your company. Moving on might just be the smartest thing to do.

3. Create a support team

Don't try to go it alone. Seeking help after a layoff, whether it comes from family and friends, former co-workers or a professional counselor, is an important part of the healing process. Learn to be your best pillar of support.

At first, you may feel ashamed or afraid to share the news about being laid off. You may not want to tell your family, for fear of how they might react to the news.

"It is important to be openly communicative and try not to hide things and keep secrets," says Dr. Lynn Joseph, author of "The Job-Loss Recovery Guide." She says it's important that you deal with the stress and anxiety of a layoff, which can lead to depression.

"You will all fair better throughout this process if you pool your resources," she says.

After telling family, you need to start reaching out to friends and colleagues. You may find it somewhat embarrassing, but it's very important to identify who you can lean on during this critical time. Create a two-minute "elevator speech" about what happened to you. You don't owe them an elaborate explanation.

"I think it is important to recognize that the people who love you are going to love you whether you are laid off or not. Be honest," advises Dr. Robert Leahy, a psychologist who practices cognitive therapy.

Schedule a weekly family meeting if necessary, where you can talk openly. Meet friends over coffee or lunch and ask them for advice. If you know of others in your field who have been laid off, get together with them and share ideas and future opportunities.

Even with your own support team, you may feel the need for additional help. Consider working with a career counselor who is trained to assist downsized employees.

As you build your external support system, you should also be mindful of your feelings. Joseph suggests journaling as a way to move along the healing process. She recommends sitting down for 20 minutes every day to write about your job loss, letting your feelings pour out on the page.

"When you start writing, and noticing what you are writing, you move through that first phase of shock and anger and then you begin to re-frame and have insight on the whole process and yourself. You begin to see the positive aspects and the opportunities that may be available to you," she says.

Joseph also recommends a therapy known as "Future Self," which can be thought of as a directed daydream. It involves imagining yourself in your new job, having everything you want. She recommends taking five minutes each day to go through this mental exercise.

"You will automatically feel much better," she says.

4. File for unemployment benefits

If you've been laid off, you should file for unemployment insurance as soon as possible. The sooner you file, the sooner you can be deemed eligible, and the sooner you can start receiving funds.

Even if you received a substantial severance package, you should still file for unemployment compensation (also known as UI).

"The unemployment agency will verify with your employer the reason for you losing your job. Sometimes unemployment is part of the negotiation severance package, where the employer states that they will not interfere with that claim," explains HR expert Lily Garcia.

You'll need to explain clearly that you were laid off. The examiner assigned to your claim should not get the sense that the job loss was your fault, in which case you would not be eligible for compensation. So be very careful how you document your job loss.

You can file for unemployment by phone or online. Keep in mind that your claim could take weeks to process. Here are a few tips:

Be sure to file in the state where you were working. Contact the unemployment office for details.

You will need to disclose basic identification information, such as your Social Security number, mailing address and details of your past employers.

Rules vary by state, but to qualify for unemployment benefits, you must meet state requirements based on how long you had been working and how much money you earned. You must be available to work.

Be prepared: In most states, benefits can be paid for a maximum of 26 weeks.

You don't have to pay back UI benefits once you get a job, but they are subject to federal income taxes and must be reported on your tax return. However, under the new American Recovery and Reinvestment Act, the first \$2,500 received will not be subject to federal income taxes in 2009.

There is no fee to file a claim for unemployment benefits.

Be sure to stay on top of your claim. Don't ignore any notices that you may receive from the unemployment office. If you plan on receiving unemployment benefits for a while, be prepared to report regularly on your job search. After all, they expect you to be actively looking for work while you are receiving benefits.

5. Take stock of your finances

Maintaining a budget can be challenging when you're gainfully employed, but if you've been laid off, it's a must. Now's the time to take a realistic look at your money.

After negotiating your severance package, the next step is to review your cash reserves and expenses to determine how long they'll last. Then start budgeting.

Michelle Singletary, Washington Post personal finance columnist, recommends finding "a quiet time... just give yourself a day and then pull out everything, your checkbooks, your credit card statements, your loan documents, your mortgage, your rent. Plot everything."

Once you know what you need to pay up, review your checking and saving accounts, CDs, stocks, bonds and mutual funds.

Analyze future expenses as "need to haves" vs. "have to haves," says Tracey Baker, vice president of CJM Wealth Advisors in Fairfax, Va.

You may find after budgeting that you have enough money saved to carry you through until you find employment. If not, you may need to access accounts that will cost you money to access, such as your 401(k).

But experts agree that you should stay away from those accounts if you can, unless you're in dire straits and don't have food on the table. Tapping into your retirement savings alone would cost you a 10 percent penalty over and above paying income tax on those funds.

Baker also advises against deferring regular bill payments such as your rent or mortgage, utilities or taxes as you budget your expenses. If you simply cannot pay your bills, call your creditors and see if you can buy some time.

"It does you no good to damage your credit score, which makes it much more expensive to get a loan when you need money in the future," she says.

Singletary advises against using credit cards to pay off debt.

"Find another job -- at a gas station, a motel, McDonald's, anything. But don't look at credit as an emergency amount of money, because it's not. It's debt." Singletary says she thinks it's immoral to use credit cards when you don't know how you'll pay them back.

While experts agree that the fastest way to make cash in this situation is to find another job, also consider cutting back on cable TV, dining out, entertainment and other unnecessary items. The sacrifice will be worth your peace of mind.

6. Update your resume

Whether you're jumping into a job search or considering an alternative path, you need to revamp your resume while your work experience is still fresh on your mind.

You don't need to hire a professional to do the work for you; resume writing is a skill everyone should develop, and there are cheap and easy ways to learn.

Do a "mind dump" of things you've done at work and how you did them, suggests Los Angeles career coach Daisy Swan. Write down everything you can think of, even if it seems insignificant. This will help you focus on your skills and pinpoint what you should include in your resume.

You're likely pinched for cash, so go to the library to find an assortment of books chock-full of tips. Career counselor Nancy Collamer, author of "The Layoff Survival Guide," says there are hundreds of resume books out there and that you can learn just by looking at good examples. Local bookstores also have a wide variety of guides and how-to's to make re-styling easy and painless.

For those who prefer using the Web, there are countless online resume resources with downloadable samples and templates for free or for a small price. At VisualCV.com, you can create an online resume and add multimedia features, such as a PowerPoint presentation.

Look at examples of resumes that are job-specific so you can cater yours to your desired profession. And if the thought of styling your resume on your own makes you cringe, simply download a template from Microsoft.

Edit, edit and edit again. It may seem overzealous to say a resume must be flawless, but it isn't. A simple mistake can land your resume in the garbage bin, so it is crucial to find all mistakes and fix every sentence.

Resume exchanges are a great way to get feedback and see what other people are doing says Pamela Skillings, certified career coach and author of "Escape from Corporate America: A Practical Guide to Creating the Career of Your Dreams." The more eyes that view and critique your resume, the better it will be. Just make sure the feedback is constructive, says Skillings, because hearing your resume "looks good" as-is won't help you.

Reach out to family members, friends, and even old bosses and co-workers. E-mail them a copy of your resume or meet with them in person, because every little suggestion can make your resume stronger.

7. Assess your career goals

Getting laid off means something different for everyone who experiences it. For some, losing a job is as devastating as heartbreak, and for others it is an escape from a hated profession. No matter the circumstance, now is the time to weigh your options and decide what to do next.

Ask yourself these questions to help determine your options:

Do you want to go back to work?

Free time caused by a layoff is a good time to decide whether going back to work is the right option for you. Some people see this as an opportunity to go back to school, spend more time with family or partake in any activity there wasn't time for previously. Evaluate your finances and your feelings, and choose accordingly.

Do you need job re-training?

Many people find themselves in situations where they're asked to learn how to use new technology, or they are replaced by someone who already does. Career coach Daisy Swan stresses to her clients that "if you're not interested in staying up-to-date, then you'll get left behind." She also encourages them to get beyond the fear of trying something new because "it is crucial to engage in lifelong learning."

Look to these resources for inexpensive re-training options:

Community college courses

Your local unemployment office

Technical schools

Books or software to use on your own

Do you want to remain in the same profession?

Swan suggests making a career wishlist to identify precisely what you're looking for. Ask yourself what special skills you have and what you would enjoy doing on a daily basis, and you are bound to find new employment options. Nancy Collamer, author of "The Layoff Survival Guide," also advises making a list of your skills, and then searching for opportunities in the job market. Even if you want to start a new career, you should have realistic prospects to ensure success.

8. Chart your course

Once you establish what you want to do next, you need to figure out how to get there. Find out how to get organized, develop a plan of action and get moving.

If you're starting a job search:

Make it your new full-time job. "You have to think of this process as you are now 'ME Inc.' and it's the first day and your new job is to find a job," says Nancy Collamer, a career transitions expert. Create a daily schedule to recreate the structure you had at work, mark a calendar with appointments (even if they are with yourself at first), and get to work. Collamer also suggests setting up a new home office. "Taking the time to transform your physical space can help you really adapt to this new situation with some level of enthusiasm," she says.

Set realistic goals for yourself. Aim to send out 10 jobs applications and schedule one interview each week. Cater your goals to what you specifically need and are capable of doing. Set the bar high, but make sure your goals are achievable.

Psychologist Robert Leahy says getting organized and structuring the day is key: "You can exercise today, you can eat the right food today -- and you can contact people today."

If you're re-training:

Enroll in courses, attend seminars, workshops and conferences and start learning. "It is crucial to keep up in these times because if everyone is an entrepreneur," says Skillings. Learning new technology ensures that you are a marketable candidate for future employment, which is a necessity, adds Skillings.

If you're changing professions:

Once you've honed in on what you want to try next, find industries where your skills are needed. Collamer advises looking for industries that are doing well and looking to hire. "Even in this economy there is still opportunity, you are just going to have to work much harder to find it and it also requires that you maintain a very open mind about your options and what you are willing to pursue," she says.

Talk to current professionals in your field of interest. Research the specific job you desire and arrange interviews with people who have extensive experience, suggests Swan. The more you learn about the profession, the better ability you will have to decide whether it is truly worth trying.

9. Network, network, network!

You've calmed your emotions and developed a plan of action, now it's time to let people know you're looking for work. Even if you're shy, or the type who likes to accomplish things by yourself, the fact remains that networking can land you a job you wouldn't have heard about otherwise. Make your situation known, build connections, and soon unemployment will be a thing of the past.

Here are a few simple ways to begin networking:

Send out a job SOS

Send an e-mail to former bosses and co-workers and tell them you were recently laid off and are looking for employment. These are the people who know you and your skills the best. Informing them of your situation can lead to new connections and career opportunities.

Join a support network

Becoming part of a support network will not only let you know that you're not alone in this experience, but it is another way to build connections and lead to open doors with new opportunities. Search for support groups online, at local churches and in the community. If you can't find what you're looking for -- create one yourself!

Join a networking Web site

Online networking sites such as CorporateAlumni.com and Facebook are a useful way to connect with former employers and co-workers. Use these resources to build more connections and spread the word, and make sure to stay in contact with those to whom you reach out.

10. Start your search!

Washington Post, Washington, 12 maio 2009, Jobs, online.