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CAREERS
Life After a Layoff
How to prepare for the worst and make a quick recovery.

By Jessica Anderson, Staff Writer, *Kiplinger's Personal Finance*
 October 28, 2008

Paul Perez saw the writing on the wall two years ago. Perez, then a program manager at Ford Motor Co., knew that the product pipeline was chock-full of gas-guzzling trucks, fuel-efficient vehicles were in scant supply, and the company was top-heavy on management. Downsizing seemed inevitable. So when Ford announced a "voluntary salary-separation program," he jumped at the chance to take a buyout offer.

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Perez, a 30-year veteran of the auto industry, requested the buyout in December 2006, and Ford accepted his request in late February 2007. The next day was his last on the job.

In the nearly two years since, Perez, 53, has spent time with his family and refocused his life after decades of working long hours and weekends and traveling constantly. His severance package and savings have kept him afloat. Now he's learning how to cut back on his spending and exploring his options for work outside the auto industry. He's sure he made the right choice. "I've gotten a phenomenal return in happiness," says Perez. "It's the best investment I've ever made."


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Buyouts are common practice in corporate America, and they can put a silver lining on a pink slip. But layoffs are on the rise, and not everyone is as fortunate as Perez. The unemployment rate was 6.1% in September -- a five-year high. More than 600,000 jobs have been lost this year, and layoffs are on track to exceed one million for the first time since 2005. Certain industries -- including airlines, automobiles and retail -- have been hit especially hard.

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But even if you feel secure in your position, a reality check isn't a bad idea. It never hurts to buff your image at work and get your finances in order -- just in case that pink slip lands on your desk.

Raise your profile

When layoff rumors start circulating, it's time to make yourself indispensable. High gas prices or no, this isn't the time to telecommute. "Face time in an environment like this is extremely important," says Randall Hansen, president of Quintessential Careers.

Meet with your supervisors. Let them know what you're working on and get feedback on how you're doing. It doesn't have to be a formal review; most companies do such reviews only once a year and may use a standard form. The idea is to convey your value to the organization, says Judith Hoppin, president of the National Career Development Association.

Step up your networking inside and outside your company. Get involved with committees and go to company-sponsored events. Outside your organization, attend association meetings and conferences, or write an article for a trade publication. "It's all about building your brand," says Hansen.

Update your résumé. And prepare more than one version. That way you can tailor it to suit the job you're applying for. In an upfront summary, highlight what you have to offer an employer. Stress your skills, your accomplishments and the things that make you marketable in your field. "Job title and tasks aren't enough," says Hoppin. "Employers want to know what a difference you made."

Tend to your finances

Stash some cash. If you can't save your job, at least start saving for a time when you might not have one. A recent survey by Adecco, a human-resources company, found that only 25% of workers have a kitty to tide them over if they become unemployed. You should have three to six months' worth of living expenses in reserve, so break out your bank and credit-card statements and total up how much cash you'll need to pay all your bills.

If you're starting from scratch, you may want to reduce your contributions to your 401(k) temporarily. But try to contribute at least enough to your 401(k) each month to receive any employer match, then put the extra money aside for a rainy day.

Pay down debt. While you're still employed is the time to pay down debt and, if you own a home, look into a home-equity line of credit. With the housing market struggling, you might not be able to get as big a loan as you could in the past. In fact, many lenders have [put the kibosh](#)

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on HELOCs altogether. But it's worth a shot. If you're successful, you can always open the line of credit but leave it untapped.

Exit gracefully

If the worst does happen, keep your cool. Having a good reference when you start your job search will be priceless. Take with you performance reviews or work that shows your accomplishments. Discuss a severance package with your boss or someone from human resources.

File for unemployment right away because it can take some time for benefits to begin. To qualify, you will need to prove that you are unemployed through no fault of your own and that you're actively looking for a job. Each state has different rules and payouts, but benefits typically last for no more than 26 weeks (for more information, go to www.servicelocator.org/owslinks.asp).

Consider your health coverage next. "It's not the time to skimp on insurance," says Wendy Nice Barnes, consumer expert for eHealthInsurance.com. "If something happened and you suddenly had high medical bills, you'd be in an even worse position."

Some companies may fund your insurance during your severance period; others may cut you off right away. If you lose your benefits, you may be able to keep your coverage under COBRA, the federal law that allows unemployed workers to maintain their group health insurance, usually for up to 18 months. You'll pay the whole premium (including the share once paid by your employer), plus a 2% administrative fee.

Although COBRA may be right for you -- especially if you're pregnant or have some other preexisting condition -- it can be a costly option. Fortunately, it's not the only game in town. In addition to switching to your spouse's benefits or those of some other family member, you can look into short-term coverage, a high-deductible policy or other individual health insurance.

When Alison Decker was let go from her job as business development director with Ameriprise Financial, she discovered that sticking with her Aetna plan through COBRA was going to cost her more than \$150 a month. Decker was only 25 and in good health, so she was able to find a high-deductible policy for just \$64 a month through eHealthInsurance.com.

The site lets you search for plans that are available in your area, sort policies by factors such as the deductible or the cost of an office visit, and then compare them side by side. Purchasing an individual policy through eHealthInsurance.com can save up to 60% over COBRA coverage. To find out more, go to www.cobralearning.com.

Tap your contacts

When it comes to finding a new job, your first task is to reach out to your network. Call or e-mail family members and friends, contacts in your industry, and former colleagues. Let them know you're in the market and which fields you're interested in. "Networks are meant to be worked," says Hoppin. "Don't just go to people you know; find people they know."

A friend of a friend helped Judy Fields land a new position after she was laid off from Sun Microsystems, in Santa Clara, Cal. When a former co-worker heard about her situation, he called someone he knew who had also worked for Sun and passed on her résumé. A lunch meeting segued into an offer for a contract position with Redback Networks, which Fields took. Now she's trying to help another former Sun employee get a job there.

Outplacement services can help you spiff up your résumé, give you job-hunting tips and prepare you for interviews. Perez and Fields received outplacement assistance through their severance packages at Right Management, and both say it proved invaluable. Plenty of organizations offer career-coaching courses for a fee, but many communities provide similar programs free (check with your local government or community college).

Contact a headhunter that specializes in your industry and get on the Web to expand your search. Former executives can look to executive-search firms to land temporary work that may open doors to full-time employment. Firms such as Business Talent Group, in Los Angeles, and Epoch, in Boston, specialize in placing interim executives. In addition to job boards such as

Monster.com and CareerBuilder.com, older workers can get free access to the job listings at RetirementJobs.com through AARP (go to www.aarp.org/jobs).

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POSTED BY: Marcia Stein (October 28, 2008 08:41 PM)

This is a good article. I speak to a lot of job seekers' groups in the Silicon Valley, and my top piece of advice is: Network, Network, Network. That's how most jobs are filled. There's a hidden job market. Many companies don't want to drown in resumes so they don't post positions. You'll find more openings via networking. If you're not an executive, it probably won't help you to call an agency recruiter, especially one you don't know, and ask them to place you. Recruiters are paid by corporations, and they work on the openings agreed upon. They will first look to their network of established clients and then to their databases, but it is not their job to find a position for each person who calls. Best of luck if you're searching!

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