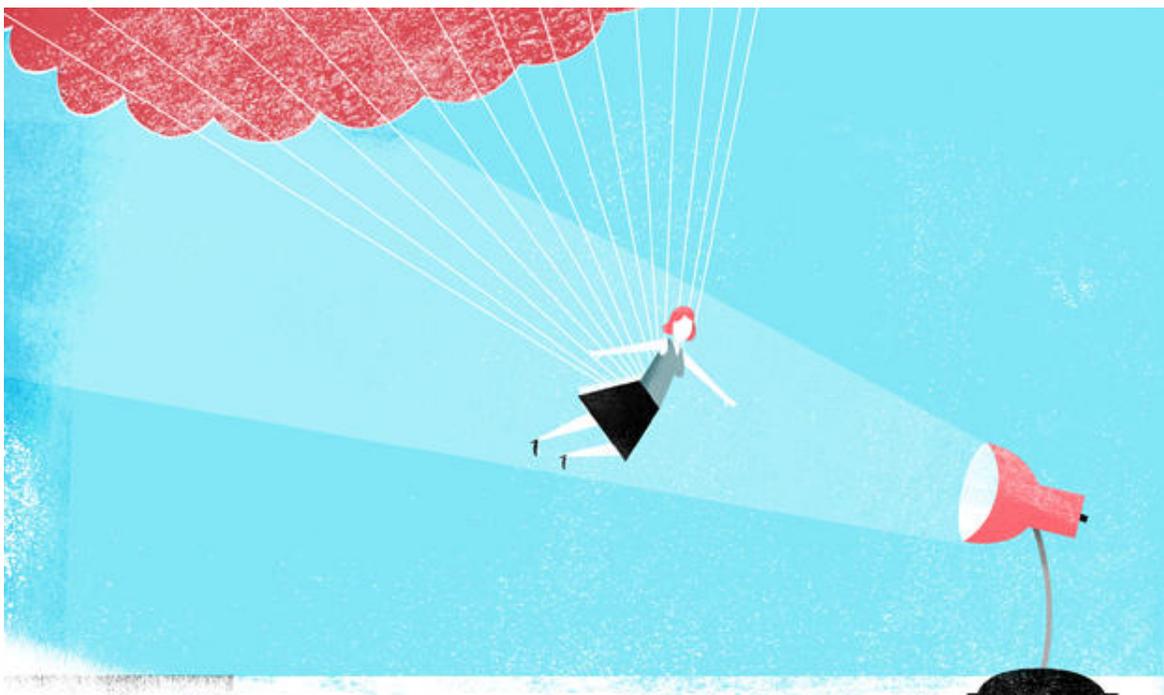


Bouncing Back from Unemployment

Get our step-by-step plan for recovering—and thriving!—after a layoff

By Emma Johnson



You had a sinking feeling the minute your boss told you to come in and close the door. Getting a pink slip is hard anytime, but with national unemployment hovering at 10 percent for the past two years, it's especially tough right now—14.5 million Americans are out of work, according to the most recent Bureau of Labor Statistics data, and joining their ranks has probably left you shell-shocked. For good reason: Sudden unemployment is like a one-two punch of emotional and financial trauma.

When most people get the bad news, their first reaction is disbelief. "It doesn't matter if you anticipated being let go," says Susan Fletcher, PhD, author of *Working in the Smart Zone*. "The loss of a job is so shocking that it can be paralyzing."

That initial blow hits right at your emotions, and once the news sinks in, you immediately begin to feel anxious, angry, sad, worried and insecure. That's when the second punch—financial fear—kicks in. Questions start racing through your mind: *How will I pay the bills? Will I lose my home? Can I still afford my kids' college?*

All this worry, if unchecked, can morph into depression and seriously quash your job search. "The more depressed you are, the more likely you are to sleep late and not go out much," says Dr. Fletcher. "But in order to create job opportunities, you need to be optimistic and out there networking."

Figuring out what to do tomorrow, much less next month, is a lot to handle. That's why we've come

up with a practical, step-by-step guide to get rid of all the anxiety and take you from fired to hired.

Road Map to Recovery

Follow these steps to get from point A (no job) to point B (new job) with your self-esteem in check and your financial house in order.



Step 1: File an initial unemployment claim.

You'll need to contact your state unemployment office to apply, which can be done online or over the phone, depending on which state you live in, says Pamela Green, a financial advisor with Sapient Financial

Group in San Antonio. (Visit ServiceLocator.org to locate the website and toll-free number in your state.) You'll have to provide your Social Security number, address, employer's federal ID number (you'll find it on your W-2 form or pay stub), your employment dates and other personal information; check with your state unemployment office for specific requirements. It takes about two to three weeks to get your first payment (the average amount is \$290 per week, according to the U.S. Department of Labor) and assistance lasts for 26 weeks. If you're out of work longer than that, however, you may be able to get up to 53 weeks of Emergency Unemployment Compensation (EUC) and up to 20 weeks of extended benefits. (Contact your state unemployment office to find out what steps to take.)

Step 2: Nail down health insurance. You have 60 days from the day you're let go to decide whether to enroll in COBRA (Consolidated Omnibus Budget Reconciliation Act), which, by law, allows you to continue your employer-sponsored health insurance for up to 18 months. (Your human resources department or your

insurance company will send you the paperwork.) It's not cheap—potentially costing more than \$1,000 per month for a family. You'll have to pay your share, your former employer's share and an administrative fee (2 percent of the premium). It might be less expensive to buy private insurance on your own, says Liz Weston, personal finance columnist for *MSN Money* and author of *The 10 Commandments of Money: Survive and Thrive in the New Economy*. (Check out HealthInsuranceBrokerOnline.com to learn about private insurance options.) "If you're young and healthy, or willing to deal with a high deductible, an individual policy may be more affordable—if you're able to qualify," she says. "But that's a big if." The law prohibiting insurers from denying adults coverage because of preexisting conditions doesn't take effect until 2014. "However, you may be able to get guaranteed group coverage through a union or professional organization you belong to, regardless of preexisting conditions," says Weston. Some college alumni associations offer similar plans.

You can also have your spouse look into adding you to his plan. Or consider a catastrophic health insurance plan that covers major surgeries, hospital stays and other emergencies, but not routine [care](#). The downside? Although the premiums are lower, they come with high deductibles and don't cover preexisting conditions. Another option: state-sponsored high-risk insurance pools. "But the coverage is typically bare-bones and expensive, and there may be a long waiting list," warns Weston. For help navigating what's available, use a patient

advocacy group like the **Foundation for Health Coverage Education (CoverageForAll.org)**, a [nonprofit](#) that offers information on states' healthcare programs and helps you find affordable and government-sponsored insurance.





Step 3: Figure out your finances. Grab a pencil and start crunching the numbers to see how much money's coming in and how much is going out. Write down any monthly income you'll still be getting, like

your husband's paycheck, any severance you received, and the amount in your savings account and emergency fund (if you have one). Next jot down how much you spend on monthly bills (cable, phone, groceries, utilities, etc.) and any debt you have (mortgage, [car](#) loan, credit cards, etc.).

Now devise a budget. "Even if you have an emergency fund, you have to slash your spending," says Carmen Wong Ulrich, author of *The Real Cost of Living*. "It takes a lot longer to find work these days." In fact, the average unemployed person has been looking for a job for 35 weeks. So cut expenses as close to the bone as possible. Start by figuring out priority bills that must be paid—the mortgage, utilities and the like. Then look at where you can cut back and what you can scrap altogether. "For instance, contact your cable/satellite provider and negotiate a smaller package," suggests Green. "Do the same with your phone service." And, if you have a landline and a cell phone, ditch one. Need help setting up a budget? Go to [Mint.com](#)—it lets you track your spending, too.

Finally, come up with a financial plan for the long haul, should it come to that. How will you pay your bills if you're still unemployed in six months and cash is running out fast? "Tapping an existing home equity line of credit (HELOC) is one option," says Ulrich. "But think carefully before you do." Remember, you'll have to begin making payments immediately, whether you find a new job or not. If you can't, you'll put your house at risk.

Credit cards are also a stay-afloat option. But, stresses Ulrich, don't put off paying down the debt once you get a new job.

And if you're thinking of pulling money out of your IRA, do your research first. "If you're under age 59 1/2, you'll face steep penalties and taxes," warns Ulrich. Check with your plan administrator to see if you qualify for a hardship withdrawal (such as being on the brink of foreclosure or having overwhelming medical expenses), which will save you penalties and taxes. *Photo: Thinkstock*

Step 4: Get the word out.

"Treat your job hunt like a full-time job," says Weston. First on the to-do list: Update your résumé. Hiring managers see hundreds of them a day. To catch their eye, lead with successes.

"Describe your skills and [responsibilities](#) in terms of how they helped your

former companies," says employment consultant Martha Finney, coauthor of *Unlock the Hidden Job Market*. For instance, if something you did upped sales by 20 percent, say so. "Show that you get results that benefit the business."

But don't get mired down in sending a set number of résumés a day, says Weston. "The most viable job leads—ones you *want* to submit résumés for—are more likely to be found by networking," she says. "That's where to spend your time."

Make a list of everyone you know who might be able to steer you toward a job—former bosses and coworkers, friends and family, even the woman you met briefly at a work function last month. No acquaintance is too casual. Now start networking. Contact each person individually. Let them know that you've recently been laid off, and ask for any contacts they may have or for leads on jobs, says Finney. But don't pigeonhole yourself. "If you're single-mindedly focused on a specific type of work, the conversation is bound to be very short—a yes or no," she says. "You want that person to introduce you to other people and expand your circle of contacts." So focus on your skills and abilities, not on an exact job.

"Also, go to networking events, seminars and conferences to grow your list," says Tory Johnson,



CEO of Women For Hire and founder of Spark & Hustle, a series of national conferences for small-business owners. Ask your contacts to give you a heads-up about any they'll be attending, join professional groups that have regular events, visit AllConferences.com and ConferenceHound.com to search for a few in your area, and check out sites like MeetUp.com, which can connect you with others who share your professional interests.

You may think you need to bring your résumé along to every networking event, just in case. Don't. "If someone asks for your résumé, it's much better to get his email address and send a customized version the same day," says Finney. "This way you can quickly tweak it to reflect some of what you learned during your conversation."



Step 5: Jump into social media. "If you're only using online job boards, you're sending your résumé into a black hole," Johnson says. "With social media, you're actually connecting with people. And

people hire people." Use Facebook to let others know you're back on the job market. Set up a profile on LinkedIn and use the site's groups and Q&A features, which enable you to chat with other professionals. On Twitter, don't just tweet your followers for potential leads; follow recruiters and people working at companies you want to work for. (To find them, browse Twitter directories like WeFollow.com and JustTweetIt.com.) Respond to their industry-related tweets as a way to make a connection.

Step 6: Do some research. The marketplace is changing rapidly and your skills may be more transferable than you think, says Ulrich. Right now certain industries, like healthcare and technology, are growing while others are slowing. So research burgeoning fields to see if your skills are a fit.



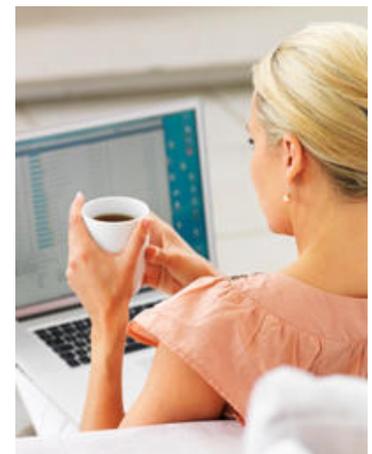
If you know someone at a company you'd like to work for, ask to pick her brain for a half-hour. Also check out companies' websites and visit sites like WetFeet.com and Vault.com for industry trends, company profiles and news, and insider information from employees.

If you need additional training to make yourself more marketable, visit CareerOneStop.org, a government-sponsored bonanza of information about training, career counseling and other free services.

Step 7: Fight burnout.

Job-hunting for months without a nibble can turn the most optimistic person into a pessimist. To break out of that mindset, think of new ways to get people interested in you.

Instead of dreading yet another networking event, say, research



some of the speakers or organizers ahead of time (go to the event's website for their names). Then, when you arrive, seek them out for more meaningful connections. Also do volunteer work in your field. It will buoy your spirits, let you use your skills and may even net a job lead (or offer!).