

By Suzanne Thornberry

When faced with a layoff, you have two kinds of needs. The first is to live within your means until you get a new job. The second is to get that new job. Here are some ways you can pursue both goals.

1 Get everything the company owes you

Tie up loose ends to collect any money the company owes you. If you're still on the job for a couple of weeks, be sure to file any remaining expense reports. To make sure you receive any remaining vacation or PTO pay for which you are eligible, compare your time-off records with those of the HR department and iron out any discrepancies.

If you have stock options, the company may vest more of your shares in the event of a layoff. Read the fine print on exercising these options. There could be a window of time when you must exercise the options or lose them.

2 Get your resume updated and out the door

You'll be sending out some unsolicited resumes as you notify your network that you are available. Brevity and relevance are most likely to catch the eye of busy people. Tailor your cover letters to the needs of hiring managers. Emphasize that you are a self-starter who's ready to get back to work.

These TechRepublic resources can help:

- ◆ [Nineteen words that don't belong in your resume](#)
- ◆ [10 things you should know about creating a resume for a high-level IT position](#)
- ◆ [Resume do's and don'ts for IT consultants](#)
- ◆ [3 things your resume could do without](#)

3 Search company Web sites

Not all jobs are advertised on the big boards or in newspapers. One way to find these jobs is to go to the Web sites of companies where you'd like to work, then look for a Careers or Jobs link. Although it's more likely that internal candidates will compete for these jobs, it's still a good idea to monitor them. Find out about good companies by word of mouth, researching regional business publications for "top companies."

4 List your sources of income

Companies that lay off employees rarely contest unemployment claims. Unemployment insurance programs are administered by the states, and companies usually provide you with the basic rules and contact information for the program.

Think about these questions when you assess your potential income:

- ◆ How far can you stretch your severance package (remaining pay, unused vacation pay, etc.)?
- ◆ If applicable, how far will your spouse's income go in covering expenses?
- ◆ If your cash will be scarce and your expenses high, should you take any job -- even flipping burgers -- to head off more a serious shortfall? At what point would you have to make that decision?

5 Prioritize expenses

Do you have the proverbial liquid savings to meet six months of expenses? If so, congratulations -- you're avoiding a major stress of losing a job. If not, well, you're in good company.

Mortgage companies are foreclosing with glee these days, so if you have house payments, do your best to keep up with them. Water, power, and insurance are usually the largest and most critical expenses after house payments or rent. After all, getting a utility cut off and paying to be reconnected will cost you more money than paying the bill in the first place.

Try to save by cutting out services and purchases that may be nice but aren't necessary. The usual suspects include dining out, cable TV (especially premium channels), and \$5.00 coffees.

6 Don't forget insurance

Ned Flanders doesn't have insurance because it's a form of gamb-diddy-ambling, but you shouldn't take as much risk as the prudish *Simpsons* character. You might be surprised to find that your employer contributed so much to your health insurance. A \$45 deduction on your biweekly paycheck might end up costing you a monthly payment of \$400 or more if you elect to continue your current coverage through [COBRA](#). With family plans, of course, the cost is even higher.

Even if you feel you can't afford COBRA, don't do without basic health insurance. Get quotes on individual coverage from several companies. If you don't need expensive medications, you probably don't need prescription coverage. Choosing a higher deductible -- \$1,000 or more -- will save on your monthly payments and prevent a financial catastrophe if you (or members of your family) have a serious illness or injury before you find a new job.

7 Don't burn bridges

If you have an exit interview, it's tempting to vent about the company, your boss, even your former co-workers. It also may be tempting to slack off in your final days of employment rather than documenting your system or finishing other tasks. Don't give in to your urge to get even. You may end up working with or for some of the people who were left behind.

8 Avoid raiding your investments

Yes, you can borrow money from your 401(k), but in practice, you'll almost certainly end up losing money. When you pay the money back, you'll be using after-tax dollars. So you'll pay tax on the money twice -- once as you pay back the loan and again when you make retirement withdrawals. You also may miss out on gains while the money is out of the market. And even if you borrow the money with the best intentions of paying it back, it may take a lot of self-discipline to follow through. If you fail to repay the loan in the time required (usually five years), you'll pay an additional 10% penalty.

If you have investments in a regular (non-retirement) brokerage account, you *could* sell some stocks, bonds, or mutual funds. Again, think about taxes. If you make a profit on what you sell, you'll pay [capital gains taxes](#). The rates are usually lower than on other income, but cashing in profitable holdings can cause a hardship when it's time to pay your taxes. On the other hand, you could choose to sell investments that have lost value and claim up to \$3,000 per year as a net capital loss on Schedule D.

9 Get out

Playing a first-person shooter game in your pajamas doesn't count as dealing with stress. Exercise, working on home projects, and helping others can give you the sense of accomplishment you miss from your job. Remember that free things can be fun. Check into meetings you've wanted to attend. In addition to reading the help wanted section, check out your area's free and cheap festivals.

10 Keep up with your debt

Anyone who has listened to a personal finance show probably knows how expensive it is to pay interest on credit card balances. For example, paying the minimum each month on a \$1,000 credit card balance will take 153 months -- and you'll pay \$1,115.41 in interest. Even if money is very tight, try to do without before you add to your credit card debt. Get the payments in on time to avoid high late fees and do your best to pay off the monthly balance.

Again, with the rise in foreclosures, don't put your house in jeopardy by skipping payments. If you rent and are having difficulty paying, carefully read your contract to see how late you can be before the landlord can evict you.

Like your home, your car can be repossessed, so it's a priority if you're making payments.

11 Pay attention to your feelings

Here's a bonus tip:

Although most folks working in IT are relentlessly logical on the job, an unexpected layoff can cause even the most Vulcan employee to show anger or sadness. Even if the job loss is in no way your fault—say, your company is moving jobs offshore to cut costs—it's easy to get down on yourself. Unfortunately, searching for a job is much more difficult when you lack self-confidence. Not only is it difficult to speak comfortably in a job interview when you lack confidence, but it's also difficult to deal with the nearly inevitable rejection that is part of a job search. After all, only the luckiest job seekers are offered a perfect job after a single interview.

Along with problems of self-confidence, job loss may also precipitate clinical depression. Symptoms of depression include feelings of sadness, problems with sleeping, weight loss or gain, and loss of interest in favorite activities. Men, in particular, may feel anger rather than sadness. If the feelings drag on longer than two weeks, it's wise to discuss it with a counselor or physician. Untreated depression is likely to sabotage your job search with feelings of hopelessness, low self-esteem, and procrastination.

Additional resources

- TechRepublic's [Downloads RSS Feed](#) **XML**
- Sign up for TechRepublic's [Downloads Weekly Update](#) newsletter
- Sign up for our [IT Career NetNote](#)
- Check out all of TechRepublic's [free newsletters](#)
- Career blog: [View from the Cubicle](#)
- [Six ways to shoot yourself in the foot during an IT job interview](#)
- [Seven warning signs that you should turn down a job offer](#)

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