

## Managing finances after a job loss or redundancy

Gaining control over your finances is of paramount importance when the future is a little uncertain. There are many ways to combat this challenge and of course there can be unique aspects to each person's situation. As experts in change management, we have years of experience helping people come to terms with a job loss and the financial strains that can come with this experience. Below we have listed the most important steps to assisting you cushion yourself thus allowing you take the necessary steps to securing your future.

Though this article deals with the financial aspects of a job loss, I would like to say that the first step in a job loss situation is to:

- Not take it personally. The job loss has nothing to do with you. The job is redundant you are not. The decision to make redundancies was more than likely done in a boardroom thousands of miles away by people who have never met you and due to market conditions that have nothing to do with you.
- See this time as an opportunity for positive change and a chance to develop a challenging and rewarding career for the future.

Taking this as a given, it is important that if such a time arises, or has arisen, that you are able to sustain yourself during that period when you are not working so that you can concentrate on your job search and not worry about bills and expenses.

**Step 1:** Stay calm. Running around tearing your hair out will not help you in any shape of form. Whether you are willing to admit it or not, losing a job takes a lot out of a person and if you have not given yourself time to get over it, you will find it more difficult to get re-hired. So, allow yourself the time to come to terms with the change. Remember, concentrating your energy on solving this new job search challenge is far more productive than wasting energy on worrying about the cash side. So focus on the right things.

**Step 2:** Plan ahead. It is not everyone who gets advanced warning that their job is being made redundant so be prepared for this. Make sure that you have saved enough to get your by for at least three months should the worst happen. This may sound ridiculous, however having enough for several month means that you will not have to take the first job that comes along. It also gives you some free time to collect and recharge yourself.

**Step 3:** Know what your company will be giving you. You may be eligible for a redundancy payout. Ask HR and see what the company can provide for you. Also, look into social welfare payments and ask your local office what payments or allowances you can avail of.

**Step 4:** Add up all the essential bills, rent, utilities, food etc. Know exactly what you need to cover your basic costs. This will allow you to easily budget for the monthly essentials.

**Step 5:** Prioritise your bills. Some bills are paid monthly, other have a longer line of credit. Use this to your advantage. If the rent is due this week but the phone bill does not need to be paid

until next month do not waste your money on the phone bill now. However do remember that the phone bill does need to be paid at some point.

**Step 6:** Cut out all other expenses. Examples of ways to do this are:

- Walk rather than take the bus/car
- Use Skype to Skype rather than your mobile phone
- Re-look at where you are doing your grocery shopping
- Substitute your shopping items to for the generic brand (its all the same produce in a different package)
- Invite your friends to your house rather than meet them in a café, or bar

Be strict with your spending and watch out for those impulsive buys that can really add up.

**Step 7:** Keep a diary of all your expenses for a month. Write down everything that you spend and what it was for. When you review this list you will see where you have been wasting your money. This is where you find the few extra shillings to put aside.

**Step 8:** Be very careful when using credit, especially credit cards. They are very expensive to run with extremely high interest rates and having a bad line of credit may hurt you down the line when you need a loan for something else. However if you really need a loan, shop around with the banks and credit unions to get the best deal on repayments. Also, while asking about loans, ask your bank manager if you can put current expenses on hold. Sometimes you can freeze mortgage payments or extend the time of an existing loan to decrease monthly payments.

**Step 9:** If things are getting tight and there is no new job in site then take a temporary role. It makes no difference what the job is. Just make sure that you leave enough time in the day to continue your job search.

**Step 10:** If all of that is not working well for you then consider explaining your situation to your family. They may have some ideas on how you can cut your costs further or come up with a favourable, repayable, finance plan to get you by for the short term.

Experiencing a job loss can be unnerving. But such situations can be effectively solved by carefully devising a plan on how to get past the unemployment period. Remember that you are not the only one who is going through this. The majority of people come out of it unscathed and ready to do battle again, as will you.

If you have just suffered a job loss and you are having difficulty dealing with it please seek help. There is plenty available and you should never face a situation like this alone.

If you know someone else who is faced with the above problem then please pass this article on to them. They will appreciate it.

This article had been written and brought to you by CPG Executive



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