

Between Jobs: Moving Forward Following Unemployment

Losing a job can be one of life's most stressful events. It is not unusual for people who have recently become unemployed to experience several different emotions associated with this loss. Once you are over the initial shock, you will need to begin adjusting to this new reality. Though it is a difficult situation to accept, there are things that can be done to reduce the stress of job loss and begin to prepare for the future.

File for Unemployment Benefits Immediately

If you are eligible for unemployment benefits, file your claim immediately with the Connecticut Department of Labor at www.ctdol.state.ct.us.

Since the IRS and the State of Connecticut consider unemployment compensation taxable income, it may be wise to have these taxes taken out prior to receiving unemployment benefits.

Also, consider taking advantage of other services offered by the Connecticut Department of Labor such as career counseling, job search seminars, training opportunities and other programs.

Discuss Your Job Loss with Your Family

With rapid changes in the economy, unemployment has become a more common experience. Even though this news may be hard to share, it is important to let your family know about the situation as soon as possible. It is likely that they may sense that something is wrong if you delay telling them.

By sitting down together, you can share the information that you do have and give your family the opportunity to ask questions and share concerns.

Often, job loss means making changes in how your family handles its business. There may be changes in family roles and responsibilities. Together you can find out what alternatives are available and decide what actions to take. This can be a time for your family to grow stronger. Children can learn important lessons through this such as how families work together through difficult times.

Review Any Benefits Offered By Your Former Employer

If your employer provided a severance package, make certain that you have a good understanding of any benefits offered. The circumstances leading to the loss of a job are varied. Though in some situations, you may be tempted to break off contact with your former employer, weigh this decision carefully.

Your former employer may be able to provide valuable assistance to you such as providing a good reference for you in your job search. You may also be eligible for severance and vacation pay, temporary continuation of health insurance, and supportive services such as resume writing, temporary office space, job coaching, training, and outplacement services which are sometimes provided to help with this

transition. Be aware that this support may only be available to you for a limited period of time.

Adjust Family Spending Habits

Even with unemployment benefits, it is likely that your household income will be severely reduced. Realizing that you cannot spend the way you did previously can be a great challenge. You may also lose other benefits provided by your former employer such as health insurance. Respond quickly to the loss of income by developing a game plan to address these changes.

Focus on taking care of the absolute necessities first. Some necessary expenses such as food can be reduced. For example, by limiting or eliminating snacks, soda and some convenience items, you may be able to cut grocery bills. Agree to postpone buying nonessential items. Identify where changes can be made. There may be some expenses could be cut out entirely.

Limit your use of credit to only the purchase of absolute necessities. Also, be aware that you may need to add in new expenses such as health insurance and those related to your job search.

Explore Health Insurance Options

Coronavirus (COVID-19):

Due to these unusual circumstances, qualified UNINSURED CT residents can enroll during a NEW SPECIAL ENROLLMENT PERIOD from March 19 to April 2, 2020. Call 855-365-2428 (8 am-5 pm, M-F). See Learn.AccessHealthCT.com.

If your former employer provided group health insurance, you may be eligible to continue your coverage at the cost of the

group rate through the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA). Contact your former employer for more information. However, the cost of paying the whole premium plus the 2% management fee can be quite high, especially on a post-employment budget. For more information, visit the U.S. Department of Labor website at www.dol.gov/general/topic/health-plans/cobra.

Is coverage available through your spouse's employer? They can contact the company's human resource department for more information.

You can check to see if your children qualify for Connecticut's Healthcare for Uninsured Kids and Youth (HUSKY) Program. Some parents and relative caregivers may also qualify for coverage. For more information see www.huskyhealth.com.

You also might seek information from an independent insurance agent. If you belong to a professional association or other membership organization, they may also offer you an opportunity to get health insurance at a reduced group rate. If you have a pre-existing condition, be aware that it may impact the cost and possibly your ability to get health insurance.

Seek Assistance Early

Find out what types of assistance may be available to you in your community. You may be eligible for other programs during this period of temporary unemployment. Infoline is an integrated single source for information about a variety of community services. Infoline also provides referrals to human services and crisis intervention.

Call toll-free anywhere and any time in Connecticut by dialing 2-1-1 or visit their website and database at www.211ct.org.

Other Actions To Consider

Take a Financial Inventory

Preparing a net worth statement can remind you of your available financial resources and help you in making financial decisions. Your net worth is value of your total assets minus your liabilities. You may have assets, which if needed, could be converted to cash.

Using Savings and Other Assets

Even after you have worked out a new spending plan, you may still face difficulty paying your bills. You may need to consider using your savings or taking out a loan. This will depend on your individual circumstances, but it is wise to look at the advantages and disadvantages of each option.

Money taken from your savings account will no longer earn interest. If certificates of deposit are cashed before maturity, there are usually interest penalties. If you take out a loan, you pay interest for the use of someone else's money. If you put your home up as collateral for a loan, you may risk losing it in the event you are unable to pay the loan back. Think carefully about taking on any additional debt right now.

Borrowing on your life insurance policy with cash value may be another alternative. Interest rates are often lower, but the amount your beneficiary would receive in case of your death would be reduced by the amount of the balance of your loan.

Another possibility is to sell stocks, bonds or other financial assets, material goods such as a car or boat or even hold a tag sale to

raise cash. For those with extra space in their homes, renting out a room might be an option. However, check out local zoning regulations and any potential impact on your insurance coverage.

Consider all your options. Determine which ones will provide the most cash, at the lowest cost, with the least risk to your future situation.

DEVELOP NEW SOURCES OF INCOME

Are there other household members who might be able to seek paid work? A non-employed spouse or family member might be able to look for full or part-time work. Older children might be able to get a paper route, do odd jobs or find part-time work after school. Then they might be able to help with some of their own expenses, such as snacks, clothing, school trips, movies and entertainment.

It is important to determine what the net additional income will be after work-related expenses are deducted. If childcare or eldercare expenses will result from working, this must be subtracted from income. Appropriate clothing, transportation or equipment may be needed. What other changes may result? Will more convenience foods be used or will you be eating out more often?

Be aware that sometimes, dishonest people in areas of high unemployment promote "get rich quick" and "work at home" schemes and other tricks. Ask the right questions. Get detailed information concerning any requirements to purchase inventory or supplies as a part of committing to the venture. Check out the company's reputation prior to signing on.

For more information on “work at home” schemes, visit www.consumer.ftc.gov.

Contact Your Creditors Early

One firm recommendation is **do not ignore bills even if you can't pay them right now.** Be responsible. Review your spending and find out how much money is available to be put towards these bills. Contact your lenders, explain your situation and try to work out new arrangements. In some instances, businesses may be willing to renegotiate or re-evaluate your debt situation, but you must take the initiative.

Sometimes, a delay in facing a difficult financial situation and deciding what to do about it may mean that there are fewer options available to you when you are ready to act.

LIVING A HEALTHY LIFESTYLE

Taking good care of your health is especially important during challenging times. Your attention to maintaining good health habits or developing new ones are likely to positively impact your attitude, self-confidence and level of energy.

Keep your main focus on seeking employment. Be organized and use your time wisely. Develop a routine or structure for your day. You might set a goal for each day or week in terms of numbers of calls you'll make, networking opportunities you'll seek, and resumes you'll send out. Be disciplined about your job search.

Consider your positive attributes. Write down your strengths, skills, abilities and achievements. Think about how they could be applied in a new situation.

Be productive. After making progress on your job-hunting goals, you may want to identify a family or personal project to tackle. Perhaps there is something that has been on your ‘to-do list’ for a while. Be certain that any project you choose to pursue is within your abilities and current financial situation. Can it be completed within a limited time frame so that you will be able to complete it and take pride in your accomplishment?

Renew and strengthen your friendships and relationships. Some people who have experienced job loss mention the importance of making the effort to get out on a regular basis, talk with friends, and go for a walk or run. Seek out people with a positive attitude. They can be an important source of moral and emotional support.

It may be helpful to know that friends and acquaintances often want to be supportive, but may not always know what help you need. Talk about your situation with others. You may find that several people you know have experienced job loss and have a sense of what you are going through. Some people who have experienced unemployment suggest talking with people in similar circumstances informally or through organized support groups.

Some people find they benefit from prayer or meditation. Others mention that writing down their thoughts and feelings in a journal to be helpful. Music, reading and enjoying community events can be relaxing. You may also find it helpful to talk with a doctor, nurse or mental health professional or member of the clergy.

A healthy diet, exercise and adequate rest can have a positive influence on your outlook. It may be a good time to adopt a new habit for better health such as exercising.

Make an effort to project a positive attitude. Read the comics or a humorous book. Spend time with a young person. Watch a comedy. Strive to find the humor in everyday life.

Consider volunteering some of your time.

It can be an opportunity to contribute to the community while sharpening your skills or learning new ones. This might be a chance to add a new experience to your resume.

Though job loss can initially be traumatic, it also can provide an opportunity to explore new directions. It is very common for previously unemployed people to report that their situations improved significantly through making a job change or starting a business that they otherwise might not have pursued.

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Sources

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