

# PERSONNEL NOTEBOOK

## Employee's Survival Guide for Tough Times

Companies that must lay off employees because of tough times often hope they will get them back when the turnaround comes. But, just as companies must put the survival of their business first, employees that are losing their jobs must now put their personal survival first. Getting these employees back later might be a good thing, but helping them survive now is more important, whether they come back or not.

Companies today are getting a bad rap. They are attacked for being successful and attacked if they're not. Small companies (under 500 employees) create 70 percent of all the new jobs in America, so we want these companies to survive and succeed because their failure means failure for a lot of workers.

With those thoughts in mind, this special edition of *Personnel Notebook* is focused on helping you, the employee who may be facing the loss of your job, to survive that event.

### Keeping the Job You Have

"To thine own self be true. Thou canst not then be false to any man." Having read that, truthfully answer this; if you owned your own business, how would you

rate you? Are you the star performer? Is the company making money from your work? If you ranked every employee in the order of his or her contribution to the company's bottom line, where would you rank? If you had to lay off half of your employees, which half would you be in?

Here's a guide to improve your position on your employer's list:

**Act like a survivor** — Be confident and cheerful. These attributes can be very important factors when your boss is separating those who are truly part of the company's future from those who are just trying to keep their job.

**Be nice** — This is not the time to be complaining about things or pushing for raises or promotions. Nor is it the time to be lingering around the water cooler or taking long lunches.

**Focus on the customer** — Don't focus on how much you need this job. Without customers, nobody has a job.

**Read your job description** — What's the end result you're supposed to be accomplishing? How well are you accomplishing that? What messages did you get on your last performance review? Are you doing what you were hired for?

**Be versatile** — Don't say, "That's not in my job description." Tight budgets may favor those who can wear many hats.

**Communicate your value** — Not by bragging, but by meeting with your boss and walking through your priorities over the next six months. By doing so, you'll let her know that you're dedicated and action oriented.

**Communicate other's value** — Send a note to your boss praising an employee's work on a recent project. This shows you to be a team player and an effective mentor who has the company's interest at heart.

**Help your company tighten its belt** — You're on the job every day. What can you see that could make things more efficient, more productive, or more profitable? If an expert were to be called in, could he find ways to improve on what you do? *You are* the expert on what you do.

**Be prepared** — The time to start budgeting and saving your money is while you're working. It's pretty hard to do so when you're not. The time to change the wasteful or expensive habits you may have is when you have the money coming in. You can do this on any income! However much money you make, adjust your lifestyle so that you spend 90 percent of what you make and save the other 10 percent. Your lifestyle will improve if you start at the bottom and earn your way up. Millions of people did and are still doing this.

## **Leaving Your Job**

Leaving your job can be an emotional, upsetting experience, whether you were

fired or you resigned. Don't let your bad feelings take control here. How you handle this event says a lot about you. Life is funny. It's not unusual to bump into people you used to know. Former bosses, coworkers, and customers often pop up in the strangest places. One business owner told me how her former boss turned up years later as the loan officer at her bank! Be a professional and leave like one

**Don't tell off your boss and coworkers, even if they deserve it** — You work in the same industry, live in the same state, and know many of the same people they do. Could you ever meet again and under what circumstances? What kind of a reference will they give you if asked?

**Don't damage property or take anything that isn't yours** — It's amazing that so many people think it's okay or funny to do these things. Theft and vandalism are crimes, and they're punishable by law. This emotional reaction can stick with you and your career wherever you go. In case you don't know, many business owners know many other business owners, and they talk to each other. You don't need this kind of reputation following you for the rest of your life.

**Ask for a reference** — It may seem strange to do so under these circumstances, but you are in the best position you will ever be in to get some consideration from your employer. Remember, you will have to include this job on your résumé or application for your next employer. So, try to get a good or, at least, a neutral reference. Of course, if you were fired for some horrible offense, this may be a useless endeavor; however, you and your former boss may be willing to

view this as “just not being a good match up” or as an instance where “things just didn’t work out.”

**Don’t bad-mouth your employer or any of your coworkers** — The only person who will look bad is you. Such actions usually say more about the complainer than the target. This is particularly true when you go on your next job interview. Potential employers see employees with problems as problem employees. It’s time to wash that old job out of your mind and set about getting a better start.

## Securing Your Benefits

When you leave your job, some of what you hold belongs to your employer, give it back to him. But some of what he has belongs to you. Know what your benefits are and how to protect them:

**Health benefit policies** — Under the federal COBRA laws, you may continue some of your company-provided health benefit policies when you leave your job. Normally, you would have to pay your share of the premium as well as the company’s share. However, under new 2009 laws, you may be able to have 65 percent of your premium cost paid by the company (they will be reimbursed later by the government). ASK about this if you wish to continue your coverage. Your time to accept this offer is limited.

**Pension/savings plans** — If your company has provided you with a pension, savings plan, or a 401(k), you may have accumulated money or benefits that have to be claimed. Inquire about yours and obtain documents to verify your rights.

**Severance pay** — This is primarily a benefit offered by larger companies. The percentage of small businesses that offer severance pay is very small. Severance pay, if offered, will require you to sign a waiver releasing the company from legal harm or liability. Normal taxes will have to be deducted from this amount, and, in some cases, it will prevent you from obtaining unemployment benefits for a specific period of time.

If your company does offer severance, you are fortunate. But don’t think of this as money to relax on or to take a vacation with. Think of it as money that could be a windfall if you quickly get reemployed.

**Earned but unused vacation** — Most states have laws governing unused vacation. This doesn’t mean you get to take vacation that hasn’t been earned yet. It means that if you have already earned vacation time and you haven’t used it or it hasn’t expired, your employer must pay the balance to you when you leave the company for any reason. **Note:** No employer is required to provide vacation time at all, and, if they do, they can write the vacation eligibility policy anyway they want. If your employer’s vacation policy requires you to work a full 12 months each year before you earn a vacation, then leaving before your year is up does not entitle you to vacation. But, if you’ve earned it, ask for it.

**Unemployment Benefits** — Unemployment compensation is also a company-paid benefit. Sign up for unemployment immediately. You may have to suffer through a short waiting or ineligibility periods, but the sooner you sign up, the sooner you can begin drawing this benefit. The requirements are pretty much the same everywhere, but there can

be some minor differences from state to state:

- You must have worked for an employer who paid premiums for you for a specific period of time.
- You must be involuntarily unemployed (you can't have quit your job), and you must be ready, willing, and able to work now.

In some states you can be denied benefits if you were fired for very serious, gross acts of misconduct, such as violence against your employer or drug use. New 2009 laws now offer extended benefits of approximately \$300 per week for up to 46 weeks. (In states with very high unemployment, you can get 59 weeks; that's more than one year of benefit checks!) Don't be embarrassed to sign up, and do so quickly. You can file online for unemployment. Go to [servicelocator.org/OWSLinks.asp](http://servicelocator.org/OWSLinks.asp) to find the link to your state's unemployment insurance program and sign up. **Note:** The first \$24,000 of unemployment money received is now tax free. However, if you want to keep ahead of your 2009 taxes, you can voluntarily agree to the deductions and recover any overpayment at the end of the year.

## Avoiding Disaster During Your Job Search

Although your job search should start immediately, let's take a look at keeping life and limb together while you're doing that:

**Stop the bleeding** — Credit cards and bounced checks can eat up your child's education money, stop you from ever owning a home, ruin your credit score, and have you paying out more than half

your income in interest and fees. If you can pay but tend to be late, then set up automatic payments through your bank. The bank can also send you automatic alerts when your funds drop below the amount you set. Imagine that you're poor and live like you believe it!

Cut your expenses. Stop eating out, including fast food restaurants. Learn to cook and eat like your grandparents did. Clip and save grocery store coupons. Really good, smart shoppers are saving *half their food budget* through sales and coupons. There are also buying clubs and centers where you can buy the same food for half the cost. There's no fee to join [Angelfoodministries.com](http://Angelfoodministries.com), which is not a charity. This organization operates free buying clubs in 39 states. You can buy pre-packed boxes of groceries for set prices.

**Create and live religiously on a budget** — Budgets aren't hard to create, unless you've never created one. You can get a lot of free assistance for yours with a little effort. At [mint.com](http://mint.com) you can set up a budget that tracks all your accounts, loans, payments, and expenses. It can also get you started on investments. It provides charts and graphics to explain your spending.

At [wesabe.com](http://wesabe.com), you can start a basic budget that can be developed into a more sophisticated tool later if you wish. The advantage to this site is that you can join online support groups with folks in the same situation and share questions, support, and advice for all. Ask a general question or submit a situation, and the group provides support.

## How Not To Pay Your Bills

This is not a lesson on how to be a deadbeat. It's a lesson on how to do the least amount of damage when you can't pay your bills.

**Bankruptcy** — Your debt problems may be the result of bad planning, bad decisions, overspending, or, as most of us would like to believe, bad luck. But before you consider bankruptcy, understand that the laws have changed over the last few years. Bankruptcy today is focused more on working out repayment plans with your creditors than on washing away all your debt. And, once you take this step, there are many hard roads ahead before you can regain a good credit score. There are better ways to repay your debt.

**Late payments** — Understand, not all late payments are equal. Although any late payment (of 30-days or more) can hurt your credit score, not all of them will have the same consequences. If you miss a single rent payment and your landlord starts eviction proceedings, you can be on the street in a matter of weeks. Most mortgage lenders (including second mortgage and home-equity lenders) and automobile lenders have very short grace periods as well. Mortgage holders generally allow you to miss two or three payments before they start foreclosure proceedings. But, once they start, the entire process can take as little as three months. However, credit card companies, medical providers, and student loan lenders typically wait longer before taking collection actions. Most other debts fall into the nonessential category and can be delayed for a while.

Utility companies will usually go a few months before cutting off services. Some will work with you to resolve the

problem. However, once they shut off your service, they may require large(er) deposits before turning it back on.

IRS debt collections can be harsh, but traditionally it will accept reasonable installment plans. If your IRS debt is very large and there's little hope of you paying it off in the near future, you can make an "offer in compromise," which is an agreement to settle your tax debt for whatever assets you have or can reasonably acquire.

If you have any "unsecured debts," (personal debts that are not backed up by any collateral, such as a house or car) they will usually "charge off" your debt after six months of unsuccessful attempts at debt collection. However, this doesn't mean that you no longer owe this debt. This just means that the lender has given up trying to collect it. The lender will then turn it over to an in-house collection department, sell it off, or assign it to a third-party debt collector.

## Mortgages

Recent programs from the federal government were created to help the 2.8 million homeowners who are facing foreclosures. However, these programs are primarily designed to aid those who did not meet the qualifications for the original mortgage or who were speculating on increasing housing prices that didn't occur. In either case, only a few hundred homeowners have found help in these programs.

If you foresee problems making your house payments, your first thought should be to talk to your bank or lender. Contacting them early, before things go too far, will make a big difference. Some

banks, such as J.P. Morgan Chase and the Bank of America have created programs of their own to help homeowners who are having problems.

Individual banks and lenders are cooperating with creative solutions. Some banks are agreeing to reduce the payments until your situation improves, at which time you begin making larger payment. These are generally two-year, start-to-finish programs. If you have a good record with your bank and you get to them early, some banks are allowing homeowners to cease payment for up to 18 months, followed by a balloon payment or a remortgaging of your home.

There are Certified Housing Counselors that can guide you through all this and handle the negotiation with your bank. They can be reached at the New Hope Hotline at (800) 995-4673 or by going online to the [hopenow.com](http://hopenow.com) Web site. This is a free service provided by an alliance of HUD-certified, non-profit counselors, mortgage companies, investors, and others that provide free foreclosure-prevention assistance.

If all else fails, there are still ways to stop or to delay a foreclosure until you can get back on your feet or at least keep you in your house longer. If you know you cannot afford to stay in the house and are prepared to lose it, you can file Chapter 7 bankruptcy, which, if accepted, can include your house as one of your assets that will be sold. The proceeds will then be divided among all your creditors. You can live in the house rent-free during the foreclosure and, in many cases, even after the sale. Investors who buy foreclosed homes often want to keep the house occupied while they begin remodeling to sell.

If you think your financial setback is temporary, you can file Chapter 13 bankruptcy to stop the foreclosure and to keep creditors at bay in the meantime. You will have to propose to the bankruptcy court a plan to repay all your debts, including your mortgage.

Another strategy is to ask your bank to accept a “deed in lieu of foreclosure,” which allows you to sign over your property’s deed to the bank without having to go through the time and expense of the foreclosure. This usually eliminates any remaining balance you may have on the mortgage. The bank or lender may require that you try to sell the house before they agree.

One tactic that has helped strapped homeowners delay a foreclosure enough to give themselves time to recover is to demand that the bank or lender provide them with the original signed mortgage contract. For many lenders today, that is a complicated and time-consuming process that often causes the foreclosure to be set aside for another time, sometimes a long time.

## **Finding Employment**

The biggest mistake job seekers make is to underestimate the amount of time and effort that goes into a job search. Many will send out 10 to 15 résumés, or visit four or five employers, and then throw up their hands thinking that it’s hopeless. Professional career counselors advise their clients to send out 100 résumés and apply in person to 20 companies during the first phase of a job search. Finding a job *is* a job!

**The Résumé** — Before you begin to tell potential employers what you can do, you

need to write down what you've been doing. Even if the work you do normally doesn't require a résumé, you can be sure it will stand out among all the applicants who didn't provide one. No one gets hired from a résumé. The purpose of a résumé is to get you an interview where you can really sell yourself.

There's not enough room hereto go into detail about writing résumés, so let's review the basics. Your résumé should be a listing of all your jobs, starting with the most current. Include the company name, your job title, and the dates of your employment. In addition to briefly describing each job, try to include your key achievements or what you accomplished in each position. At the end, include all education and training levels plus any accomplishments, certifications, or awards. Try to keep all this on one-and-one-half to two pages. Reread it carefully for mistakes, typos, and so on. Better yet, have someone else read it.

A good tip is to customize each résumé to fit the specific company you are applying to. Learn as much as you can about that company, and, in a short cover letter, address what you know about them and how what you want to do for them can make a big difference.

**Job listings** — Check your local newspaper's classified ads every day. Check the Verizon Yellow Pages phone book for companies in your field.

Today, the Internet is almost a necessity for extensive job searching. But for many, it's still difficult to maneuver the Web with ease. If you want to get a free lesson and helpful guidance on how to job search on the Internet, go to [rileyguide.com](http://rileyguide.com).

Each of the following job sites contains Web sites and job listings for thousands of companies at no charge to job seekers:

- [indeed.com](http://indeed.com)
- [simplyhired.com](http://simplyhired.com)
- [linkedin.com](http://linkedin.com)
- [jobster.com](http://jobster.com)

Job fairs can be located by state and locality at [americasjobfairs.com](http://americasjobfairs.com). And, for complete job searching assistance, including résumés and interviewing guidance anywhere in the nation, visit [careeronestop.com](http://careeronestop.com).

Having reviewed all this material on job searching, you should know that *80 percent of all job finds are accomplished through networking*: your friends, former fellow employees, former employers, old school friends, relatives, and people you meet on the street. So, let everyone know you are looking. Finding an old friend can mean finding a new job.

Good Luck

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