

Steps For Coping When You've Lost Your Job

By: Ruth Mantell, MarketWatch

Losing a job can bring both financial hardship and emotional stress. Experts say that if you or someone in your family is laid off, it's important to move to offset any damage quickly. These four steps may help you cope:

Don't panic. Panic can lead to bad financial choices. It's normal to feel out of sorts in the weeks following a job loss. After that, step back and regroup, says Nancy Molitor, a psychologist and public education coordination for the American Psychological Association.

"Literally, take a deep breath and say: 'What do I need to do to move forward?'" Ms. Molitor says. She suggests that people recall the last time they had a tough situation and what steps they took to weather that storm.

If immediate income is important, part-time work should be considered. "That can be working for a temp agency where you have some flexibility, or it can be a retail position," says Audrey Trapp, director of Johns Hopkins University's career management program. "Try not to let pride get in the way."

Cut back. Each family member can look for ways to spend less money. "People are faced with tough choices," says John Schmitt, a senior economist with the Center for Economic Policy Research. "You have to cut back on expenses." Be prudent about turning to credit cards.

Use available resources. Some who lose their jobs will receive severance payments. Those out of work should also apply for unemployment insurance benefits right away, says Monica Halas, senior employment attorney with Greater Boston Legal Services.

If you're turned down, go to a local legal services program. She advises. Many people also don't realize they're eligible for programs such as food stamps and home heating assistance.

Prepare as a family. Losing a job can raise insecurity to for the whole family, and a person who is laid off needs to be open with the spouse, says Ms. Trap of Johns Hopkins. The situation "could involve relocation for

the family, and it certainly calls into question financial security.” Some children may worry, she says.

Ms. Molitor recommends that people prepare plans for possible worst outcomes. “A lot of anxiety is fear of the unknown. Anxiety becomes like a huge wave, and it’s contagious,” she says. Many people are more resilient than they know, she says. “There are some people who actually take a tough situation as a challenge.