

How to Handle and Prepare for an Unexpected Job Loss By

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“Life is a little easier if you expect a certain percentage of it to go wrong no matter how hard you try.” —*Morgan Housel*

Denial Is Not an Option

Do you know what you would do if you suddenly, unexpectedly lost your job? Have you ever considered the possibility that you might be happily employed today and then – bam! – unemployed tomorrow? Consider this: What would you do if you lost your job tomorrow?

Most of us never ask that question. Why would you? It’s a scary thought to contemplate. The reality is that you can lose your job at anytime, even if you have many valid reasons to feel secure in your employment. If you are not prepared for job loss, the financial, personal, and psychological consequences can be devastating. Losing a job is a possible risk for every employee and it is prudent to think about that risk and to be prepared.

COVID-19 Pandemic and Economic Security

Take a global pandemic, for example. We’ve enjoyed an extended time of low unemployment and talented people could reasonably expect to be able to find a job if they needed one. Who would have thought that would change? After all, so many headlines lamented the talent drain as Baby Boomers retired. Sure, Millennials are working their way up the corporate ladders and Gen Zs are right behind them, eager to work after they finish school.

However, in the spring of 2020 the COVID-19 pandemic and resulting shelter-in-place orders caused non-essential businesses to shut down. Many people lost their jobs outright or were furloughed or had their salaries reduced. This global health crisis rocked the economic

foundations of the world and plunged the United States into a deep recession with staggering unemployment rates estimated to exceed 20 percent. Were you prepared emotionally and financially if COVID-19 affected your job security, income, and work-related benefits?

Assumptions about Employment Security

You may feel secure at work. You might think:

- I'm doing a great job. I receive outstanding performance reviews.
- The company needs me and my boss values my work.
- My boss's job is secure.
- No one I work with would try to undercut me and cause me harm.
- The company is in a strong financial position.
- My company won't be subject to a merger and acquisition (M & A) with subsequent job cuts.

This all may be true, but stop for a moment and think. As we've seen with COVID-19, things can change suddenly and dramatically. Even if everything is great, you will bounce back quicker from a sudden job loss if you remain realistic (not pessimistic!) and are prepared for the worst.

The Reality of Job Security

Job security exists for no one. We are not saying you should be paranoid about the risk of losing your job. We are saying that you should be prepared just in case it happens.

Many companies proclaim that "we are family" but the fact is that you as an employee are a payroll cost and a large one at that. Some estimates put employee benefits compensation packages at \$30,000, others at 30 percent of your salary. Employee benefits costs are on top of your salary. So, for example, if your salary is \$60,000, your cost to your employer is closer to \$90,000 when you include benefits.

Companies may be "families" but workers are viewed as a cost on the balance sheet and not an asset. If companies must cut costs, what is a logical conclusion? Payrolls must be cut and that could affect you.

Negative Politics

Are you insulated from duplicitous people and negative politics that could cost you your job? No one is. Politics exist at every company. Politics can be a positive way of achieving results, but politics often turn nasty.

Negative politics exist in every organization, regardless of size. For you that means right now you may have colleagues undermining you either because they don't like you or want your job if it means a promotion for them. These sorts of people will come across as your friends but such people are duplicitous. Rarely are they outright antagonistic toward you. Pay attention to the vibes you are feeling in the workplace and listen to the grapevine.

New Boss as a Risk to Your Job

One of the biggest risks you face is that your boss could change. For example, your boss might get promoted or leave the company and you could wind up with a boss who is incompetent or duplicitous or just mean spirited. Here is an example from Jack's career. According to Jack,

My boss of more than four years had to take medical leave due to a serious illness. Vic (not his real name) was a great guy— smart, fair, bright, ethical— one of my best bosses ever. He appointed in his place Dee (not her real name), someone who was envious of my relationship with Vic. I knew Dee was two-faced and had tried to undercut me many times. But I was stuck with her for five tense months in which I was on my best behavior. Fortunately, Vic recovered fully and returned as president of our company and as my boss. I knew if Dee became my official boss that at the first opportunity she would have tried to fire me.

If your boss leaves and a new boss is in charge, you need to make the relationship work. Start by being open-minded. This is a great opportunity for you to learn more about your industry from a new person. It's also a great opportunity for you to grow your network. Be helpful. Avoid saying things like, "that's not how <<the old boss>> did it" or "that's not how we do it around here." It is fair to give the new boss a heads-up if they are about to step on a political landmine or give them necessary organizational history when appropriate. As you build your rapport with the new boss, check in and ask if you are meeting their expectations, if you are providing too much (or not enough) information, if there's anything else you can do to help them acclimate to their new role, that sort of thing.

What if you can't make the relationship work? First, try, try, and try again. Ask your new boss how you can help them succeed. After all, everyone likes having someone in their corner. If you are getting negative vibes from your boss, ask to have a short meeting and ask your boss what you can do to help meet their expectations. The problem might not be you at all. Your boss might be preoccupied with other employees' issues or perhaps something isn't quite right in their personal life. Whatever you do, don't leave the company just because you might not care for your new boss. Give the relationship time and continue to excel at your job. Your value will become apparent to everyone, including the new boss.

Three Ways to Prepare for Possible Job Loss

Pay attention to your personal finances The classic wisdom is to have at least three to six months of living expenses in savings. Sure, that is tough for most workers. However, we urge you to set that as a goal. Aim for zero consumer debt, which includes credit card and auto debt. Mortgage debt is fine. Save your raises and any bonuses.

Losing your benefits can be tough, particularly health insurance. COBRA is an option, but it's an expensive option. If you have a spouse with a benefits package, see if you can enroll on their company-sponsored insurance plan.

Get educated on the basics of responsible personal financial management. Remember: the stronger your personal balance sheet, the more you will be able to deal with the devastating consequences of job loss.

Network If you have read our articles on career management, you know we are proponents of networking. Get to know the "movers and shakers," the decision-makers who can help you if you find yourself on the job market. Networking costs you only time and energy, yet has a huge

return on your investment. (See McHugh and Novak's three networking papers listed at the end of this paper.)

Have a side hustle Prior to the COVID-19 pandemic, it was easy enough to spend your off hours working for a rideshare company. It provided drivers with a little extra income and could be quite enjoyable for the extroverts out there. Another option is to consider your talents and start freelancing. Graphic designers can create logos, flyers, videos, etc. for their customers. Writers can draft speeches, articles, corporate communications, etc. Tech-savvy people can design websites and create apps. However, if this applies to you, be ethical with your side self-employment work.

If you have a self-employment gig on the side, never reveal to a client any confidential or proprietary information about your employer. Likewise, never let any of your freelance work interfere with your "day job." If your employer has guidelines about freelance work, follow those guidelines. If your employer doesn't have official guidelines, hold yourself to the highest ethical standard and:

- Never do your freelance work on company time; always do it on your own time
- Don't use your employer-provided equipment for your freelance work
- Don't promote your freelance business during your day job

However you might find your side gig to be an enjoyable outlet. Ideally, you'll be able to build your customer base to the point that if you did lose your job, you'd be able to augment your savings with your freelancing income. You may find that one of your clients likes your work so much that you are offered a job. Most importantly, if you had an unexpected job loss, a side self-employment gig could provide a much needed influx of cash so that you can keep up with your bills and not have to drastically change your standard of living.

Conclusion

Being unemployed is one of the most stressful things a person can go through. The loss of income and benefits is most disruptive and can affect every aspect of family life. Starting over and looking for a new job, along with the inevitable rejections, can be exhausting and depressing. You may have a shattered professional image after an unexpected job loss. It's a terrible thing to go through, but know that you're not alone. Talk to family and friends and get the support and reassurances you need to weather the storm.

Even if you've been an ideal employee throughout your career, there is the possibility that you could suddenly find yourself unemployed. We encourage you to use the tips in this article to help you plan and be prepared just in case the day ever comes that you find yourself unemployed. What we suggest will enable you to persevere during the always difficult time of unemployment.

McHugh Career Management Advice For information call Jack McHugh. See contact information below.

Also of Interest at http://johnbmchugh.com/free_pub_guides.htm

- *CM-3, How to Prepare Successfully for a Job Interview*, John B. McHugh and Liz Novak, 2020, 6 pages
- *CM-10, What You Don't Learn in School about Job Hunting*, John B. McHugh and Liz Novak, 2020, 8 pages

- PM-12, *Job Searching in Association Publishing vs. Commercial Publishing: Key Differences and Interviewing Tips*, 2015, 4 pages
- PM-72, *Get Set for Success: Twelve Thoughts When Starting a New Job*, 2018, 3 pages
- PM-74, *The Many Benefits of Mentorship*, John B. McHugh and Liz Novak, 2020, 4 pages
- PM-75, *Beyond the Basics: Many Facets of Mentorship*, John B. McHugh and Liz Novak, 2020, 4 pages
- PM-78, *How to Deal with a Toxic Boss*, 2020, 5 pages
- N-1, *Networking Tips and Techniques*, Co-author Liz Novak, 2017, 5 pages
- N-2, *Networking Your Way to Success*, Co-author Liz Novak, 2016, 3 pages
- N-3, *Networking: Using Social Media and Technology*, Co-author Liz Novak, 2018, 8 pages

About the Authors

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Liz Novak has held various roles with the International Association of Plastics Distribution (IAPD) since joining the organization in 2011. She is currently the Senior Director of Advocacy and Editor-In-Chief. She is responsible for IAPD's government relations initiatives and political action committee, the editorial content for all of IAPD's publications and assists her CEO with responsibilities related to IAPD's Board of Directors and Executive Committee. During her tenure at IAPD, she served as Marketing Director for seven years before promoting her protégé to the role. Liz holds a Bachelor of Science degree in Psychology from Loyola University of Chicago and an MBA from the Pennsylvania State University Smeal College of Business. She earned her CAE in 2018. Contact: www.linkedin.com/in/lnovak.

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Jack's specialties include association/nonprofit publishing, book publishing, career management, executive recruiting, journal publishing, rights and permissions, new ventures, organizational design, and social media strategy and policy. McHugh is also the manager of the LinkedIn™ group, **Association and Nonprofit Publishing**.

McHugh and Liz Novak, of IAPD, have written a series of papers on **Networking Techniques**.

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