

Next Steps After Unemployment: The Unexpected Opportunity



This guide is to help you plan what your next steps should be after an unexpected layoff. Learn to navigate this transition with wisdom and confidence as you look for new opportunities.

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The Retirement Design Lab is a nationwide educational program that provides online resources to individuals across the country and can introduce you to knowledgeable financial professionals that work with situations like yours on a regular basis.

01 Process Emotions & Find Support

Allow yourself some time to process this unexpected unemployment. You may experience a wide range of emotions, which is understandable. You've given that employer your time, talents, and commitment. Whether you've been with that employer for months, years, or decades, remember that a job layoff is a temporary setback. Try to shift your focus to the future and the opportunities you may have now that this chapter has closed.

If you're struggling or stressing, it's okay to take time for yourself and to reach out for support. Remember that you're not alone! Your friends and family may be able to help you during this time or even empathize with your challenges, so don't be afraid to reach out. Don't forget to take care of yourself even as you take the next steps you need to for your future.

02 Gather All Severance Information Available

It is likely that your manager (and possibly your HR department) will have spoken with you as soon as you were notified, if they didn't notify you in person. Gather as much information as you can but don't allow yourself to be pressured to make immediate decisions. Collect information for all possible options and review it all carefully. Ask what the decision deadlines are rather than trying to decide when there may be high emotions.

If you're fortunate enough to be offered a severance package, accepting it may enhance benefits and/or limit your opportunities. A few things to ask yourself: How long will the amount offered cover all of your bills? Does it come with other benefits you need, such as continued health insurance coverage, or outplacement services? Does it require a severance agreement that includes a non-compete clause (preventing you from working for a competitor for a certain period)?

Weigh all these factors carefully before deciding whether to accept or decline a severance package. If you are unsure, you may wish to speak with a financial professional and/or attorney to help you assess the offer. In some cases, you may be able to negotiate a better deal for yourself.

Self-care ideas: Take a long walk, go hike in nature, sit at the beach, spend a day on a hobby, read a book, visit a friend, call a family member, download a mental health app.

03 Forecast the Financial Impact

Regardless of your severance options, you'll need to get a clear picture of your household cash flow. Forecasting your income and expenses for the next 3-6 months (or longer if you plan to take a sabbatical) is key to discovering how urgently you need to replace your income. Online resources are available from a wide variety of sources, and any amount of budgeting or tracking you've previously done will become immensely valuable. If you're having trouble, you can reach out to a financial professional. They can help you do a cash flow analysis and offer some guidance on changes and next steps.

04 Consider Your Opportunities

Whether you were let go immediately or received notice (e.g. in the case of a WARN Act layoff), now is the time for you to reassess what you want in your daily work and career. Use this time to define your ideal job. A starting place for this is to think through which parts of your job you disliked or made frustrating mistakes in and which parts you loved and thrived in. Also take into consideration management preferences, performance evaluations, office culture, company size, growth interest and opportunities, and more. Remember that when you interview for a job you are also interviewing them! You'll get to determine who will benefit from your talents next.

Take time to think about your impact in recent roles and update your resume. Get copies of items you worked on that you could share as examples, try to get data or analytics for anything you managed, and request items you might not have access to. It is nice to have your own copies after your last day. Creating a portfolio of your work that showcases your talents and shares data on your impact can help you communicate your value to potential future employers.



05 Exit Your Job with Grace

Before your last day, if you're given an opportunity, reach out to your manager to discuss your areas of strength and weakness. Now is an ideal time to request a letter of recommendation, as it's not uncommon for managers within a company to provide these for employees terminated due to circumstances beyond their control. Asking about any professional opportunities they may know of is also appropriate. If you believe they would recommend you as an employee, you may also ask if they have any professional contacts that would be willing to connect with you.

Before deadlines arrive, you'll need a decision on your severance package (if applicable) or the extended benefits you may need to take your company up on. Communicate those needs as soon as you've made your decision to get started on necessary paperwork. If you have a 401(k) with your employer find out if you'll have continued access to login to the service provider. If you're not sure how much of the account value you'll get to keep, ask "am I fully vested?" Make sure you know the servicing company, account type and numbers, so that you can roll these retirement savings into another account later if you so choose.

06 Protect Yourself In-Between Jobs: Unemployment & Health Insurance

Filing for unemployment can protect you financially as you search for a new role. Each state has different unemployment rules and regulations. Reach out to your local unemployment office and begin asking questions about qualification and details about how it works in your state. While it won't replace 100% of your income, it is designed to provide temporary support while you are in between employers.

You may need to get on a spouse's insurance plan before yours runs out, secure a health plan from the marketplace, or work with your company to pay for extended coverage (through the COBRA Act). This option is usually available for 18-36 months, but it typically requires you to pay 100% of the premiums along with a small administrative fee. Whatever the case may be, get started early as paperwork can take time and you don't want to be left uninsured.

07 Consider the Gig Economy Between Jobs

If you need income to add to your household beyond what any applicable severance or unemployment provides, you may consider the participating in the gig economy. This is the world of short-term contractors and freelance workers. Gig workers are typically hired for a specific project or task. They are not considered employees of the company they work for, and they do not receive the same benefits as traditional employees, such as health insurance or paid time off.

The gig economy has grown rapidly in recent years, due to several factors, including the rise of online platforms that connect businesses with gig workers, the increasing availability of skilled workers, and the changing preferences of workers who are looking for more flexibility and control over their work. Gig workers and freelance workers enjoy flexibility to work when they can or want to, which could be ideal for someone interviewing for more permanent positions.

Gig work examples include ride-hailing with companies like Uber or Lyft, food delivery with companies like DoorDash or GrubHub, package delivery with companies like Amazon or UPS, or even substitute teaching with companies like Kelly Services or EDUstaff. Freelance work can be anything from landscaping to copywriting, and could be anything you have the skill set for, and services are available for connecting freelancers to customers exist on many sites, like Upwork, and Fiverr.

08 Temporarily Alter Financial Habits if Needed

With less income coming in, there are a few habits you may need to temporarily alter to spare your checking account and financial future. Start by cutting out any non-essential recurring payments and spending (you may be surprised at how many recurring payments you make for services that you don't use often). Press pause on some of your financial goals if needed – especially if they are going into accounts that are hard to quickly access or you are penalized for dipping into (like college planning accounts or retirement accounts).

Avoid touching your retirement savings at all costs. You may be tempted to tap into your retirement savings to help you through this stretch. Use this as a last resort. Depending on the type of retirement account you have, you may be hit with penalties and taxes for certain withdrawals.

Use your emergency savings wisely. If you've been a good planner and have an emergency fund, trying to cut other spending to continue leaving this alone is a good practice. If you do need to get into it, that's appropriate, just do so sparingly. Creating a budget to help you become stricter with your spending may be helpful. Ask for help if you need it – whether it's friends, family, or a professional, don't make decisions you'll regret later.

09 Find Your Next Role

The urgency with which you job hunt will likely depend on your financial situation, but for the majority of people, starting as soon as possible is best. Utilizing your network is a great way to start getting in front of possible employers and learning along the way. Whether it's phone calls, emails threads, LinkedIn messages, networking events, volunteering, or social events, bring a learning mindset and boldly ask about positions or opportunities. You never know who might help you find your next adventure.

It's never been easier to put yourself out there and search for new opportunities online:

- Your industry association or local industry-specific organizations may have resources they may have for jobseekers in your field.
- Your alma mater may have connections you can reach out to.
- You can let your past co-workers and connections know that you are looking for a new opportunity on LinkedIn.
- You can attract recruiting attention through creating profile on a multitude of hiring sites, including LinkedIn, Indeed, Wellfound, LinkUp, Glassdoor, Simply Hired, CareerBuilder, ZipRecruiter, Snagajob, and Monster.

10 Land Your Unexpected Opportunity

Once you've secured an interview, scout the company further in preparation for questions that may be asked. This may also help you come up with questions you'd like answered by the employer as you consider this opportunity. If you're nervous about speaking during an interview, try writing out a bullet-point list of answers for common questions and those you think the role may require.

You can also begin your interview by asking them this question: "I'm sure you've received quite a few applicants, what was it about my resume/application that led you to reach out to me as a possible candidate to fill the position?" This puts the interviewer in a spot to share what stood out about you, telling you why you made it this far in their hiring process. Use their response throughout the interview as a focal point.

After the interview, always take the time to write them an email or a letter thanking them for their consideration. It's a common professional courtesy that could set you apart or remind them to reach back out to you. It's also appropriate to follow up with them if they haven't reached out within the timeframe they set (or you asked about) at your interview.

Remember: YOU'VE GOT THIS!

We hope this guide helps you plan your next steps. Remember that you've got this - you can navigate this transition with wisdom and confidence. We wish you luck as you search for your next opportunity!

Additional Resources That Can Help

The U.S. Department of Labor's website has extensive information on unemployment benefits and other resources for workers who have lost their jobs. URL: <https://www.dol.gov>

The National Career Development Association provides resources for job seekers, including resume writing tips and career counseling. URL: <https://www.ncda.org>

The Society for Human Resource Management has information on employment law and other job transition topics. URL: <https://www.shrm.org>

The Health Insurance Marketplace @ has information relating to available health insurance plans you may qualify for. URL: <https://www.healthcare.gov>

Retirement Design Lab is a nationwide educational program that provides online resources and can introduce you to knowledgeable financial professionals that work with situations like yours on a regular basis. URL: <https://retirementdesignlab.com>



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