Sagicor

Coping with Job Loss

The Sagicor Advisor January 09, 2019 money management

Losing your job can be an anxious and uncertain time. Even after finding a new one it may take some time for your finances to recover. Although you cannot prevent a layoff, how you react after, can make a difference to your financial security. Here are a few tips to follow if you unfortunately lose your job.

Begin looking for a new job.
The first steps after being laid off are to apply for unemployment and begin looking for a new job immediately. While it may be tempting to regard this time as a break to rest there is no guarantee that you will find a new job quickly so the sooner you begin looking the better.

What's your next career move?
Closing a chapter in your life presents an opportunity to re-examine your career. Do you want to continue in your previous field or is there a more satisfying line of work in which you can utilise your skill sets? A portion of your severance can be used to start your own business or complete a course of study for a new career.

Create a new budget.
It is important to examine your expenses and determine what your unemployment benefits and severance payment can cover. Prioritise rent or mortgage, utility bills, food, insurance and medicine and then find ways to cut back on spending.

Have a conversation with your creditors.
Losing your main source of income may cause you to fall behind on paying your bills or repaying your debts. Before this happens have an honest conversation with financial institutions and utility companies. You may be able to postpone payments or reduce your payment amounts temporarily.

Continue your insurance.
Insurance may seem to be an expense which you don't need but imagine if you are without a job for some time and became ill or disabled. Insurance coverage can ensure you receive treatment or medication during an illness. You can also withdraw from the accumulated cash value of some life insurance plans to help you get back on your feet.

How Your Sagicor Advisor Can Help
Your Sagicor Advisor can work with you to analyse your household finances and ensure that your priority financial needs are being met. They will then work with you to help put together a budget for your adjusted income.

Adapted from Bankrate and "How to Survive Financially after a Job Loss"