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Speaker 1

Welcome. My name is Andrew Baron, and this is Well... It Depends! The podcast where I present the pros and cons of financial decisions so that you, the audience, feel better informed when you are confronted with these decisions in your own life. In this episode, I ask the question, what to do if I lose my job?

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But before we begin a short disclaimer. This is being recorded on November 9th, 2022. The contents of this podcast are strictly for informational purposes only, and nothing said should be taken as investment, tax or legal advice. Any strategies discussed may not be suitable for listeners specifically, and so we strongly encourage consulting with your advisor before implementing any strategies to ensure they meet your individual objectives.

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Getting into it. What to do if I lose my job? Well... It Depends! A couple of weeks ago, I did a podcast where I asked, should I change jobs? And I wanted to do a related question where instead of choosing to leave, one is let go from their job. An example of this is we're seeing from major tech companies like Twitter and Meta if you're suddenly let go, the first thing you need to do is assess your situation.

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How stable are you financially? Financial planners recommend having an emergency savings account for this exact purpose. I tell clients to have 3 to 6 months of spending. That includes items such as housing,

travel and cars and utilities, including cell phone and internet and of course, groceries. If you have minimal saving resources, consider cutting back on your spending and focusing only on what you need.

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Married couples benefit from having two incomes, and it's less likely two people are laid off instead of one, but obviously there are exceptions. Next, you'll want to check into your unemployment options. These are state run programs and therefore have different rules depending on where you live.

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But in general, you'll want to begin the process as soon as possible, since it can take time to actually receive the benefits. Once you have some basic security, you can begin thinking about what's next. This can really be a blessing in disguise. You now have an opportunity for a change, whether that's a new job or maybe a whole new career in a new industry. For older employees who are considering retiring from the company, perhaps you can retire now.

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The early years might look different than you had originally planned, such as maybe things get accelerated by a few years. Or if you were counting on those final years to contribute to your retirement accounts, perhaps you dial back or reprioritize so you can still fulfill your retirement you planned on.

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Finally, decide what to do with your old retirement plan. Do you roll it over to a new plan or do you leave it at the old employer? I actually have a whole podcast on what to do with you old 401K, so go back and check that out. To recap, evaluate where you are financially. If you have limited savings, you'll need to cut back on your spending.

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This is why it's very important to consistently save. Look into your unemployment options. It can take a while to begin receiving benefits, so it's important to begin the process as soon as you are able. Maybe losing this job is for the best and you will come out ahead, happier at a new job. Or maybe this is the unexpected kick start to your retirement.

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So to answer the question, what to do if I lose my job? Well... It Depends!

Speaker 1 – Andrew Baron, CFP®, EA