

COPING WITH UNEMPLOYMENT

Losing a Job is Traumatic

For most of us, our work is a big piece of our sense of identity. We're more likely to say, "I am a general manager," than to say, "I manage and maintain a private club." We see part of what we do as all we are.

Part of the reason for this is that we generally find some measure of meaning, some intrinsic value, in the work we do. We often view our work as our greatest contribution to the greater scheme of things.

For many of us, too, our co-workers and fellow managers make up a big chunk of our social circle. We certainly spend more hours with people at work than we do with anyone else, except maybe our families.

And as the source of the paycheck, our work is our means of being independent, and being able to take care of our families.

Furthermore, we tend to pin our dreams and plans for the future on the faith that we will keep our job status, if not on the hope that we will improve our job status.

It's no wonder that losing a job, or failing to find a job when you need one, is so traumatic!

Dealing with Feelings

The shock of losing a job can be surprisingly intense. Even people who may rationally understand that their job may be in jeopardy may have difficult time coping with the flood of emotions that typically accompany unemployment.

It's very common to feel angry, frustrated, bewildered, isolated, embarrassed or even ashamed after losing a job. Many people also experience grief, gnawing anxiety, or feelings of desperation. It's not unusual for your self-confidence, or even your faith in the future, to be shaken when you lose a job.

These powerful feelings can disrupt sleeping and eating patterns, and trigger angry or tearful outbursts without warning.

It doesn't help to deny or ignore these feelings. And trying to escape them by turning to alcohol or drugs will only exacerbate the problem. You'll be less likely to find a new job, and you could wind up losing things — such as your family or your health — that are much more important than the job you lost.

What does help is to acknowledge your feelings and talk about them with your family and friends. When you communicate openly, you release tension while strengthening your ties to others. Be careful not to lash out at your spouse, children or friends, though. They're innocent, and they're on your side. They can also help remind you that work is only one part of your life, and that you are still the same special person you were before you became unemployed.

Understand that your unemployment has an impact on the whole family. Include them in your plans, listen to their concerns, and enlist their help in conserving financial resources and making sacrifices. Working together through hard times can truly strengthen your family.

If, however, you withdraw from social contact and avoid communication, you'll only feel more isolated and more depressed. Besides, you might also miss hearing about job openings.

Regular, vigorous exercise can help alleviate stress, dissipate anger and elevate your mood. It can also help relieve problems with sleeping or appetite.

Letting go of the past is important, too. You should, of course, examine what happened.

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If you know you did something to bring about your job loss, learn from it. You don't want to repeat past mistakes. But rehashing the past over and over, berating yourself for what you could have done differently, will only get in the way of making your new future.

Even if everyone agrees that you did nothing to warrant the pink slip, you still need to let go. Don't keep refueling anger toward your old boss. Prospective employers don't want to hire angry, bitter people.

Fight anxiety by getting busy. Do something, anything, as long as it's productive.

Taking Charge of Finances

This is an important time to keep your financial wits about you. The need to meet living expenses goes on while you're job-hunting. Here are some general dos and don'ts:

DO negotiate the best possible severance package.

Get as much as you can as quickly as possible, while your employer still feels guilty. If the boss makes an offer, make a counter offer — what could you lose?

Try to get as many of these valuable benefits as possible:

- Accumulated vacation pay.
- Payment for unused sick time.
- Club payment of medical and dental insurance. (While the law requires your former employer to offer to continue your insurance for a certain time, you are responsible for paying the often-hefty premiums — unless you negotiate otherwise).
- Outplacement services.

DON'T automatically cash out a lump-sum distribution from a club-sponsored retirement program.

If you cash out, you'll have to pay taxes on the entire amount as current income. Since Jan. 1, 1993, plan administrators are required to withhold 20 percent of a lump-sum distribution for income taxes. Depending on your marginal tax rate, you may owe even more. And if you're younger than 59, you'll also face a 10 percent penalty. The taxes and penalty can easily eat up nearly half of the retirement nest egg that you spent so long incubating.

It's better to roll over your retirement funds into a special individual retirement account (IRA). However, there are some special considerations, especially with the new withholding rules that took effect in January 1993.

You can use a conduit IRA to move the entire balance into a new IRA, and then roll it over again into your next employer's plan (if it allows). To avoid the 20 percent income tax withholding, you must arrange for your plan administrator to transfer the lump sum directly to the IRA (or to another retirement plan) — trustee to trustee.

If you take possession of the funds, even for immediate placement into another plan or an IRA, 20 percent will be withheld for taxes. That means you would have to find the 20 percent from another source to make the sum whole — and entirely tax free — again.

Otherwise, you're only rolling over 80 percent of the distribution, so you'll have to recognize the 20 percent withheld as current, taxable income. (You can use a rollover IRA to transfer part of the distribution from your old plan into the new IRA.)

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There are a few more rules you should consider:

- You have 60 days after receiving a lump-sum distribution to decide what to do and effect the transfer. Any amount that you don't transfer to a rollover IRA within 60 days is taxable as current income.
- You can't at any time commingle the funds with an existing IRA.
- Partial distribution funds in a rollover IRA can't be rolled over again into a new employer's plan.

Another option is to accept periodic payments (at least annually) from your old employer's plan. These distributions will be taxed as current income only when you receive them, so they won't bump your income quite as much, and you may not face as big a tax bite. There's no early distribution penalty this way, either.

Seek your tax adviser's guidance for the best option in your individual situation.

DO lay out a financial plan for the time you'll be job hunting.

While you may find something right away, you should be aware that in today's economy many people find it takes six months to a year to land a new job. It's wise to develop a financial plan for at least six months.

Your plan should list your current cash position, your expected cash income (including severance, vacation pay, unemployment compensation, spouse's income, interest and dividends), and your expense forecast (including mortgage/rent, food, utilities, debt payments, transportation expenses, insurance, medical expenses, etc.)

DO tighten your belt.

Analyze all your projected expenses, and cut where you can immediately. Set priorities for spending; practice cost cutting: eliminate luxuries; clip and use coupons; cook at home instead of eating out, ordering in or picking up take-out; walk instead of drive.

DO seek additional sources of income.

Think about the many skills you possess — not just those you used at your former job, but also from hobbies and past experiences. You may be able to apply these skills to earn extra money while you're looking for a new position. Be careful to keep your priorities straight, though. Don't let "irregular" jobs keep you from following up on job leads.

DON'T add to your current debt load.

If you established a line of home-equity credit before losing your job, good for you! If you haven't already paid off high-interest-rate debts, you might want to pay those off now with a home-equity loan. The interest rate will be much lower than most credit cards, and the home-equity loan interest is still tax-deductible. Be careful, though. Remember that this credit is secured by your house. If you cannot repay, you could lose your home.

If you don't have access to your home equity, you may want to consider a bill consolidation loan. However, you may have trouble getting one approved without current employment. Even if you are approved, you should be aware that commercial debt consolidation loans cost money. Your monthly payment will be less, but you will extend the life of your loans, and over time, probably pay even more in interest. If you decide to go this route, shop carefully for the best terms.

If you face a list of bills too long for your current resources, you must make the hard choices about which bills should be given high priority, and which can be deferred, renegotiated or otherwise settled.

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Plan to first pay bills that maintain shelter (rent/mortgage), maintain vital services (utilities, phone, transportation, insurance), cost the most to postpone (because of late penalties, repossession or disconnect-reconnect charges), or are likely to be vigorously collected.

Prepare a payment plan before you talk to creditors, and be sure to contact them before the bills come due. Most communities have a local Consumer Credit Counseling Service, a free agency that will help you figure out a budget. If you need it, Consumer, Credit Counseling can help you develop a debt management plan that will renegotiate and/or defer your debts to a payment schedule that is within your means.

DO consider borrowing from family, if you must borrow.

It's not easy to ask for help. But if your family has the means and you're on good terms, this may be a viable option. Just be sure to put everything in writing, including the payback schedule. Then stick to it.

DON'T invade the principal of your savings if you can help it.

Use the interest income on your savings if you need it, but avoid touching the principal for as long as you can. You may need your savings for sudden expenses later on.

DO consider bartering for goods and services.

More and more people are learning the advantages of bartering. It's possible to make a great trade, while conserving cash and avoiding sales taxes. You must, however, report as income the fair market value of goods or services you received in return for your services. Think about what possessions or skills you have that you might be able to exchange for something someone else has.

DON'T sell your possessions, unless you don't intend to replace them.

You'll seldom get what it would cost to replace them. Besides, the ones that would bring the best price are usually the ones you love the most. If you do have something of value that you don't mind parting with, be sure to get the best possible price for it.

Of course, if you've been meaning to have a yard sale or garage sale to get rid of the clutter, but just haven't made the time — do it now. It takes some work to get organized and you have to advertise it, but you could pick up a few hundred extra dollars.

DO take advantage of support services if you need to.

If you need help, check with your county offices to find out whether your family is eligible for the Food Stamp Program, Aid to Dependent Children, Medicaid and so on. While you've been working, you've been paying the taxes that fund these programs. If you need help while you're out of work, don't be ashamed to seek it.

DON'T file bankruptcy except as a last resort.

If your financial affairs are beyond repair, bankruptcy may be your only recourse. If possible, take Chapter 13, which will allow you to work out a whole or partial repayment plan if half of all your creditors agree. While Chapter 7 ("straight") bankruptcy theoretically wipes your financial slate clean, it looks much worse than Chapter 13 bankruptcy on your credit history — where it will show up for many years after you find your next job.

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Set Goals

Take this opportunity to examine what your goals are. This period may be a temporary setback, a pause before rocketing ahead, or a chance to choose a new direction in life. Explore your strengths, your preferences and your limitations before you set your long-term goals.

You need to examine what you really want before you'll be able to determine very well how to get it. Do a little research on other options, such as a different type of setting (a municipal or resort operation vs. a private club) or a different kind of position (for example, a club manager who specializes in the construction and start-up of new clubs). Check with your local Job Service Center for occupational outlook information and aptitude testing as well as for job listings and counseling.

It's also important to clarify exactly what your skills are. Whether you are interested in looking for a position basically like the job you just left or in taking a new career direction, this process will help you evaluate how well your skills match your goal. You may decide that some additional training is in order. Further training or education not only improves your qualifications, but also puts you where you're most likely to hear of openings. Some programs even have placement services.

Evidence suggests that the main reason some people are more successful than others in their job search is that they have developed a clearly defined and reasonable search focus. They don't look for vaguely defined opportunities, but a specific career match for their desires and abilities.

Long-term goals are vital, but short-term goals are important, too. Set short-term goals that will serve as way stations as you move toward your long-term goals. In your current situation, you might want to set your short-term goals on a weekly basis. For example, your goals for this week might be to:

- Make six applications.
- Set up two interviews.
- Call four business contacts for advice, information or referrals.
- Keep your living expenses below a set limit.
- Read up on industry.

Get Out There

Don't let time drift by before you start looking for work. Even if you got a great severance package, you need to begin right away. While severance and unemployment compensation will provide some peace of mind during your employment search, they shouldn't be used as a reason for doing less than your best at your current assignment: finding a new job.

Studies show that the people who seek work most actively are the ones who find it. It's time to get organized, get busy, get out there, and get a job.

When you were working, you followed a schedule. Now that you're unemployed, you need one even more:

- Make a daily plan, and stick to it. Use a large calendar or plan book and write down when you are going to work on your resume, practice interviewing, make phone calls, write letters, answer ads and go for interviews and appointments.

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- Get up and get dressed at a regular time every morning. Follow your job search schedule — don't get bogged down in household chores, or vegetate in front of the television. Maintain a regular bedtime.
- Include time off for recreation, just as you did when you were working. Leave your weekends free, but don't spend valuable work-day time on recreation. If you have free time left after doing everything on your schedule, think about volunteer work. You can do something good for your community and yourself. You'll learn new skills and make new contacts that may come in handy during your job search.
- Set a date on which you will evaluate how things are going. You may find that you need to develop alternative strategies.

Tapping Resources

You can't count on finding a new job solely through the Managerial Openings List (MOL) or newspaper ads, but you can increase your chances by using them the smart way.

Did you know that as many as eight out of 10 jobs come from word-of-mouth contacts? That's why it's very important to develop and maintain a good network of contacts. If you haven't already, make it a habit to:

- Keep in touch. Send birthday and holiday cards. Clip articles of special interest to colleagues and send along with a short note.
- Do favors. If you can help someone, even in a small way, do it. Favors don't have to be big to be appreciated.
- Attend CMAA's Annual Conference. You'll make new contacts and learn some things, and the idea-exchange environment will spark new ideas of your own.

It's best to start building your network while you're still working, but it's crucial to use your contacts effectively now that you're unemployed. There are more jobs, and less competition for each, in the "unpublished" job market than in the want ads. Networking is the only way to tap this "unpublished" job market.

Now, if you're ready to shift into high gear and look for a new job, here are some tips on where to look.

Where to Look

In general, job prospects do not come looking for you. And just because you are looking for a job does not mean that there will be one waiting for you. Devote the time to your job search that such an important enterprise deserves.

If you are currently unemployed, understand that you are really working for yourself, to find and get the right job. If job-hunting is your job, you owe it to yourself to give it 40 hours each week.

Whether you are currently employed or not, organization is important. Keep good records of your appointments and activities.

Investigate and utilize all the avenues open to you: <http://www.clubcareers.org>

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Affiliated Chapters - Many local chapters have employment assistance programs. Let your chapter know you are seeking a position. If you wish to investigate openings outside your chapter area, or if you are yet affiliated with a chapter, CMAA can provide information on how to contact a specific chapter.

Help-wanted Columns - Read the help-wanted columns of local newspapers and those in geographical areas of interest to you, as well as those of professional and industry magazines, such as Club Director.

Position-wanted Advertisements - Consider investing in a position-wanted listing in a trade magazine or newspaper. Check the publication's classified section for rates and deadlines.

University Placement Centers - Contact your alma mater's placement center. The placement center will register you and construct a file of credentials, references and college transcripts.

Friends, Business Acquaintances and Past Employers - Take advantage of your "network" by letting people know that you are looking for a new position. They may receive information about an opening before it is officially announced or widely known. Ask your local chapter members if they have heard about any open positions that are not listed in the MOL. Supply these contacts with copies of your resume so they can recommend you and give up-to-date details to prospective clubs.

Previous Prospective Employers - Someone who has interviewed you in the past may know of a club looking for a manager with your skills and background. Be judicious in using this avenue. It may be awkward for someone who turned you down for a job — or someone whose job offer you turned down — to be of much help in your current job search.

Private Employment Agencies - These agencies may know of unadvertised openings in the field. Be sure you understand the financial and legal commitments you must make to the agency before you decide whether to accept its guidance.

When you discover a position that interests you, gather background information on the operation. Learn the basics — the club's founding date; the membership size; annual dues revenue and gross dollar volume; additional club facilities; etc. There are two major advantages to spending time on this research. First, you will be able to demonstrate to your prospective employer a sincere interest in his or her club. Even more important, you will gain a better idea of whether or not it is the type of position you really want.

Talk with the previous club manager if possible. He or she can give you information about the facility and an idea of what you may face on the job. Try to get as many different perspectives as possible. Realize that much of what you learn about a club and its operations will be subjective — the personal opinion of whoever gives you the information. Arrange to tour the club if possible.

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Conclusion

If you're unemployed, you're not alone. You have plenty of company in these economic times. Furthermore, the club manager's profession has always been somewhat volatile. Club managers have lost jobs due to the weather, one member's powerful influence on a board member and even the whims of a club committee.

Someone once advised, "When life hands you a lemon, make lemonade." There's no doubt that losing a job is a painful experience. If you let it, it can be emotionally and financially draining. Or you can seize the opportunity to examine your goals, learn something about yourself, and chart your own course for the future.

And while it's not always smooth sailing, it is a voyage you wouldn't want to miss.