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| **So You Were Laid Off. Now What?****As millions of people learned in 2020, outside events may force your employer to lay you off. It can come without notice, leaving you stressed and shaken. But you can create a survival game plan, whether you have savings or not.**The most productive response to an unexpected layoff is to gather the facts. You need to compile all sources of cash and other benefits available to you, and balance that against a new realistic budget that minimizes your expenditures. It’s great if you have savings, but don’t panic if you don’t. Either way, you have options.**You may be eligible for benefits.** You will need to check with your employer to see if you are eligible for severance benefits, vested pension funds or stock options, and/or a temporary continuation of health insurance. Contact your state government to register for unemployment insurance and food assistance. If you have a workplace 401(k) account, consider transferring it to a solo 401(k) or to your IRA. If your layoff is the result of a disability, you can speak to the Social Security Administration for the facts regarding claiming benefits.**Create a new budget and spending plan.** Your spending should concentrate on necessities like rent, food, utilities, and debts. If you have savings, calculate how much you’ll need to draw down each month. Cut back on the nice-to-haves, such as streaming services, dining out, $5 lattes, and magazine subscriptions. Home cooking can be a real money saver and provides an opportunity to explore nutritious, economical meals.**Speak with your creditors.** If you have credit card debt, ask for help from the card issuers. They may be able to offer you a lower interest rate or smaller minimum payments. Depending on your circumstances, you can seek forbearance on your mortgage or student loan. Federal student loans offer several options when you can’t afford your payments. If necessary, consider pursuing a debt settlement plan to cut your debt load.**Try to protect your retirement funds.** You should draw down your retirement funds only as a last resort because withdrawals inflict an irreversible reduction of tax-deferred savings and potential tax penalties. If you have a 401(k) plan, see if you can borrow from it, as this will minimize long-term damage to your retirement funds. You can avoid IRA early withdrawal penalties by using the money to pay health insurance premiums when unemployed. 401(k)s can provide hardship withdrawals for several reasons, including to prevent eviction or foreclosure.**Layoffs can be a source of hard-won wisdom.** The pain of losing your job may serve as an unwelcome object lesson on financial preparedness. Many people discover a comprehensive financial plan can help reduce vulnerability to unexpected challenges. Contact me today to discuss your current situation and what we can do to help improve your financial health, and manage your wealth and retirement plans.

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