

# What to do if a layoff seems imminent

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**S**ometimes a job loss isn't a surprise, with weeks or months of telltale signs of looming cuts. If your job is in jeopardy, the time to act is now. Here's how.

**Pile up cash.** Curtail spending and build an emergency fund. Traditional advice is to accumulate three to six months of expenses, but today advisers often suggest a year's worth of bare-bones expenses, especially if you're single or the sole breadwinner. "It's taking people longer and longer to find a job these days," said Francine Duke, a fee-only financial planner and certified financial planner. "I think the three- to six-month thing is passe."

Reduce retirement contributions to the minimum level so you still get the full company matching contribution, Duke said. And if you're paying extra on your house or car payment, reduce those to the minimum payments.

**Open new credit.** Credit is like insurance, it's easier to get before you need it. If you have equity in your home, consider opening a home equity line of credit, which can be a source of relatively cheap borrowing if you encounter a crisis, Duke said. It's no big deal if it sits unused. "It's nice to know it's available, because it's better than running up credit card debt," she said. However, it's not a good idea if a line of credit will tempt you to borrow for discretionary purchases.

**Negotiate severance.** If the dreaded day comes for getting laid off, you only have one chance as you're leaving to ask for more severance money, extended health benefits or more access to career counseling. "It never hurts to ask; sometimes you'll be successful, sometimes you won't. But why not try?" Duke said.

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