

[How to Bounce Back From a Job Loss](#)

February 4, 2010 [Sheryl Nance-Nash](#)

You spent months, maybe even a year or more unemployed, and now at last you are working again. But you're not exactly in a mood to celebrate. You did your best to juggle and make-do, but despite your best efforts, there is a mountain of bills.

Playing catch up and getting back on track can be challenging, but know that perhaps the worst is over and you have a second chance. Here are tips to make sure you come back stronger than ever.

Deal with that debt

Don't fall for a credit repair scheme. "Why pay for something that you can do for yourself for free? If rebuilding credit, know that time is your friend, as the farther you move away from the financial distress, the less negative impact it has," says Gail Cunningham, a spokesperson for the National Foundation for Credit Counseling.

Negotiate with creditors. Transfer high interest balances to cards offering zero or low interest fees and pay down the principle at least a little each month, suggests Randy Gage, author of *Why You're Dumb, Sick & Broke*.

Don't however, become overly anxious about paying your cards off immediately. "It's more important that you don't shortchange your budget. If you do, you'll end up needing to use your cards again. This becomes a vicious cycle," warns Carrie Coghill Kuntz, director of consumer education for FreeScore.com.

If you didn't before, now is the time to create a budget and stick to it. A good way to do that is to pay cash or use a debit card for everything. "Do not purchase anything on a credit card, especially with deferred payments. It is easier to keep track of your finances this way," says Ken Borokhovich, a finance professor at Cleveland State University.

Consider too, refinancing your mortgage. "Borrowers with good credit should refinance now that they are employed, because rates have never been better," says Michael Haubrich, a certified financial planner with Financial Service Group.

Increase your market value

Build your network inside your new company and outside. Get to know people in the same or similar industry and join organizations or associations pertaining to your work. You can

also build your network by volunteering. Many foundations and non-profits would love to have your expertise, and it is a good way to give back to the community, says Nancy Skeans, partner and managing director, personal financial services with Schneider Downs Wealth Management Advisors.

“Don’t kick your resume to the curb. Keep your resume up to date. Also make sure that you are an asset to your new company. In tough times, a company evaluates its employees as assets and liabilities. Make sure you are on the right side of the company’s balance sheet,” she adds.

Then too, “Always have a ‘Plan B’ and never get complacent,” says Pamela Yellen, author, *Bank on Yourself: The Life-Changing Secret to Growing and Protecting Your Financial Future*.

Save and save some more

After debt is under control, the next priority, says Skeans is building an emergency fund tucked away in a savings account, certificates of deposit or a money market account. You know that stuff happens and it can be long time before your ship sails in. Shoot to save 6-12 months, particularly if you’re an industry that’s still a bit vulnerable to the shivers and shakes of the economy.

And though you may be thinking about mending your tattered finances, you do need to save for retirement too. Many types of retirement savings have the dual benefit of saving income taxes. If your new employer offers a retirement savings plan, start with that. Many employers also match a portion of retirement savings. “The tax savings and the employer match provide an immediate positive return on investment,” says Skeans.

If you’re wondering where all the cash to save will come from, continue to cut back spending. “You probably limited your spending after you lost your job. Even though you have a constant flow of cash coming in with your new job, it’s important to prioritize how you spend your money and continue spending only when necessary,” advises Jenny Realo, executive vice president of CareOneServices.

And as much as you may be tempted to focus on the situation at hand, develop a long-term financial plan. Says Skeans, “You should have a road map for the future. Develop one now and revise as needed. The financial bumps will not disappear, but they will be easier to handle if you have a plan.”