The Gift of Job Loss –
Turning Job Loss Into Long-Term Happiness, Better Health, and a More Fulfilling Career

by Michael Froehls, Ph.D.
Management Consultant and Book Author
Session goals

- Challenge your thinking about the upside and downside of job loss
  - My epiphany…or epiphanies?
  - The gift of time (being at the core of the argument)
  - A few cases and situations – how to decide?
- Help you prepare for job loss
- Answer your questions
- Provide you with resources to dig deeper into the subject matter

…and engage in a stimulating discussion with my fellow UT McCombs Business School alumni
2008 – the year of my epiphany
My epiphany or... epiphanies (I/II)?

- Job loss as the great emotional equalizer

- Potential consequences of fear
  - Risk of making bad decisions (stock market, career)
  - Risk of missing out on opportunities (decision paralysis, staying “put” instead of moving on)

- Benefits and limits of third party career advice
  - The Job Seeker Industrial Complex
  - Family and friends, (former) colleagues, biz contacts
  - Following the masses vs. your individual choice
  - Myth or reality? - “stigma”, “employment gaps”, “camouflaging your age”, “social media can kill me”
  - Tactical vs. strategic job search (how to improve my odds?)
My epiphany or… epiphanies (II/II)?

- Human beings are bad at managing their (life-) time
  - Being vetted to the “here and now” or even “living in the past” (unable to imagine or adopt to a major change in surroundings)
  - Extrapolating trends in a linear way, missing turns
  - Accepting average life expectancy as personal life expectancy, thereby potentially underestimating individual risk of morbidity and mortality
  - Considering time a free resource (i.e., disregarding opportunity costs)
  - Difficulty to think long-term and relate short-term investments / sacrifice to long-term benefits (and vice versa)
  - Not using time as a strategic asset to your advantage (e.g., option value to wait)
What would you have done?

- You lost your job in banking in NYC in **12/2006** vs. **12/2008**

- **Options (simplified):**
  - Start looking for a banking job in NYC
  - Start looking for a non-banking job in NYC
  - Start looking for a banking job outside NYC
  - Take 6-9 months off to travel, learn Spanish, spend time with family, and lose a few pounds
  - Explore alternatives to Corporate America
  - Sit on your couch, feel miserable, and wait for better times
More choices: Should or shouldn’t I…

- …look for a job in a place or an industry if the probability of finding one is next to nil?

- …rush into the next job if I have $500K in my 401K but my marriage is on the ropes because I was never at home?

- …take the first best job at a 20% pay cut just to ensure that I have no gaps in employment?

- …look for a demanding job with a 70 hour work week as a single woman at the age of 38 if I want to have kids?

- …at the age of 55 to apply immediately for the next job and continue postponing my dream of hiking 4 weeks in Nepal to retirement?
The gift of time – some examples

If you take three months after job loss and …
…have a “bucket list”
   …realize it now (think “insurance policy”)
…suffer from medical issues (e.g., smoking, lack of exercise)
   …take care of them, you might extend your life span
…are lacking a spouse because you worked too hard to search
   …start power dating 7 days a week
…lack certification in your field
   …invest in yourself and reenter the job market w/ better skills
…need to reduce complexity in your life
   …downsize, unclutter, and get a grip on your finances
…dream about non-profit work, teaching, or joining a start-up
   …explore the relevant option before committing
…believe life would be better in Colorado
   …spend a few weeks on the ground to get the facts
3 months off: Am I a slacker?

Assumption: 40 years of active working life

0.63%: Time off
99.27%: Working time*

*Isn’t that plenty?
Preparing for job loss far in advance

- Save, save, save
- Keep fixed costs low and always know your financial situation (see the movie “The Company Men”)
- Never believe your job is safe, no matter your tenure, hierarchy, gender, age, race, or industry
- Learn about the severance policy of your company ideally before you join, then monitor any changes

Prepare mentally –

- Create a one pager “What would I do after layoff?” outlining the opportunities, benefits, downside, and adjustments job loss would bring
- Update this scenario / plan annually
- Check whether there is anything already implementable now (e.g., vacation, learning, downsizing)?

- Be alert to “warning signs” of potential layoffs, then act according to your goals
Questions to ask when facing layoff

- What is my personal situation? Age, family, financial, health, …
- What are my personal and professional goals in life? What are my real and perceived constraints?
- What is the economic situation in my city/state/country, industry, and field of expertise? Would I find a good position?
- How is the economy overall doing? Boom vs. Recession? Is there change ahead?
- What is on my “bucket list”? What have I postponed for years?
- Can I invest in myself to improve my job prospects, have a more fulfilling career, get healthier, or find personal happiness?
- Am I better off going right into job search or should I delay?
  - If job search, how to improve the odds in my favor through both strategic and tactical measures?
  - If delay, for how long? What would I like to achieve during that time? What are the opportunity costs vs. benefits and option values?
And now...what is on your mind?

Q & A
Resources for you

1) Free resources:
http://www.thegiftofjobloss.com
http://www.facebook.com/TheGiftofJobLoss
http://www.amazon.com/gp/pdp/profile/A3QQT4FISWUPOS/ref=cm_cr_dp_pdp
http://www.texasenterprise.org/profile/michael-froehls

2) The Gift of Job Loss
(reviews, endorsements, book purchase):
http://www.amazon.com/Gift-Job-Loss-Practical-Realizing/dp/0983119201/ref=sr_1_1?ie=UTF8&s=books&qid=1303424777&sr=8-1

3) Follow me on Twitter: @MFroehls
Special Offer - eBook

eBook summer sale: The Gift of Job Loss

$2.99

http://www.amazon.com/Gift-Job-Loss-Practical-ebook/dp/B004SY5XDI/ref=tmm_kin_title_0/192-5590966-1085223?ie=UTF8&m=AG56TWVU5XWC2&qid=1303424777&sr=8-1

http://www.barnesandnoble.com/w/gift-of-job-loss-michael-froehls/1102156224?ean=2940012277954&itm=1&usri=the%2bgift%2bjob%2bloss
Special UT Offer - Consultation

For participants of today’s webinar only (valid until Oct 31, 2011)

- Personalized ~60 min consultation (via Skype/phone) for $199,-
- Potential topics (your choice):
  - Preparing for, coping with, and leveraging job loss
  - Brainstorming location alternatives
  - Finding the right trade-off personal/professional life
  - Planning sabbatical / time-off (including travel)
  - Evaluating investing in new skills
  - Discussing career alternatives

How to:
- Schedule via michael@thegiftofjobloss.com
- Email me your CV / bio together with your 1-3 key questions / topics
- Pay via check or bank wire (instructions given after scheduling)
- Note: No money back if “no show” or not being happy with consultation.
  No tax, investment, or medical advice will be given
Thank You!

- The recording of today’s presentation, along with the PowerPoint slides, will be available on our Career Programming Web page by next week:

  [http://www.mccombs.utexas.edu/alumni/careers/programming/]