

How to manage spending when fired

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Google 'layoffs 2024' and you'll see layoffs number in the thousands. From Google to Walmart to Dell to Cisco, industry giants and smaller companies of all sizes are busy restructuring their teams. The situation presents workers with a difficult task: budgeting while looking for new jobs to survive the ' *layoff storm* . '

When you've been laid off, money often becomes a primary concern. While it's important to accept that some things are out of your control, there are steps you can take to feel more secure. Creating a plan to manage your expenses until you find a new source of income is one of them.

This plan will help you understand your finances better, making it easier to cut down on discretionary spending so you can prioritize the essentials. You should also be smart about managing your savings and debt. Here's how to budget when you're laid off.

Find the right job

Being fired from a job often comes as a surprise to employees. For those experiencing it for the first time, it can be confusing and difficult to decide what to do next, especially when it comes to finances. Here are two things to

do after being fired:

1. **Apply for unemployment benefits or unemployment insurance** . To do so, you must meet the eligibility requirements set by the Department of Labor, as well as any additional requirements.
2. **Find health insurance options** : Since your income is limited, consider switching to health insurance plans that better suit your current situation.



How to Budget After Getting Fired in 5 Steps

1. Estimate your new cash flow

If you lose your job, you will need to rely on unemployment benefits and/or savings until you find another job. Take the time to estimate how much money you will have and for how long. This will help you get a clearer picture of your financial situation and determine how long you can support yourself while you look for work.

2. Evaluate current costs

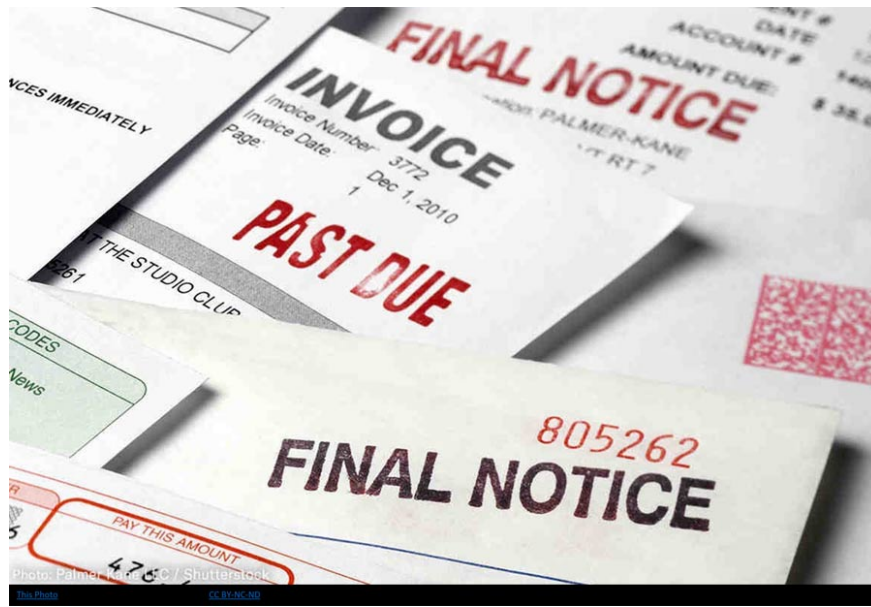
Next, sit down and assess how much money you're spending. Count everything from rent and utilities to gym memberships and online subscriptions. To make it easier to visualize, categorize these expenses into essential and non-essential, or fixed (e.g., rent) and variable (e.g., electricity, water, etc.).

3. Create a "minimum" budget

A 'minimalist' budget focuses on meeting your basic needs. In other words, these are the essential expenses: food, rent or mortgage, utilities, transport. This means you'll need to cut out any non-essential expenses, such as digital TV service, takeaway food. Ask yourself what you really need to survive.

The amount of money you need to cover the bills that keep you alive and keep a roof over your head is now your new budget. Since some of these costs can change—like electricity, gas, and water—look at how much you've

spent in the past three to six months to estimate your expenses for the coming months.



4. Prioritize debt renegotiation

If you have debt to pay, renegotiating with your creditors should be one of your top priorities. Contact your creditors and explain your situation. You may be able to negotiate a lower interest rate or a reduced monthly payment. You may also be able to propose a different debt settlement plan.

Just remember that paying less than the total amount you owe will show up on your credit report. This can affect your credit score and make it more difficult to get loans in the future.

Write everything down—date, time, outcome, who you'll talk to. Stay calm, get everything in writing, and don't make any payments until you have a written agreement.

5. Don't rely solely on retirement savings

You may be tempted to withdraw money from your retirement account to make more money, but it's not financially wise to use that money after being laid off. Unless you have no other options, consider withdrawing from your pension, because if you're young and healthy, you'll still have a chance to find a new job.

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