

Weathering a long job search



PHOTO: ROB HOWARD

By Donna Rosato, senior writer

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(MoneyMagazine) -- When Terase Salerno was laid off in January 2009, she wasn't too worried about landing a new job, even amid the deepening recession.

The former assistant director of information technology for Ernst & Young was sure that her 15 years of experience managing techies and projects would make her a good catch for any employer. "I'd never had a problem finding work before," says Terri, 36.

More than a year later, she's a lot less confident. After applying for some 300 jobs, Salerno has had just six interviews and zero offers. "And I keep wondering, 'What am I doing wrong?'" she laments.

Terri's husband, Michael, 32, has kept his job as a software tester. But minus her \$96,000 salary, their household income is down more than 60% -- forcing the West

Milford, N.J., couple to dip into savings to meet obligations.

Their only splurge in recent months was a few Christmas presents for their son, Dominick, 7. Yet even after reining in their budget, the Salernos are down to their last \$4,000. "We have only two months or so before we can't pay our bills," says Mike anxiously.

In the toughest job market in nearly 30 years, laid-off workers like Terri are becoming reluctant members of a fast-growing group: the long-term unemployed. According to the Bureau of Labor Statistics, the number of people out of work for six months or more remains at near-record levels -- now 6.1 million, up from 1.3 million in 2007 -- even as the economy shows signs of improvement.

As the Salernos are beginning to discover, long-term unemployment can have long-term consequences. Families in this situation often deplete their savings and rack up debt; at worst, they lose their homes. When the unemployed finally do re-enter the

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workforce, many earn less than they had in their previous jobs.

The Salernos are worried. Maybe you are too. Here's what to do when your severance and savings are running out and you need to jump-start a stagnant job search.

The fact that Terri hasn't received many calls back on her applications signals that she needs to reassess her strategy, says Kimberly Bishop, a New York City career coach: "If you've been out of work a long time with no results, you need to figure out what you should be doing differently."

That starts with soliciting an objective evaluation of your résumé, cover letters, and job-hunting strategies. Contact your college's alumni association or job-placement office, either of which may offer such a service for free. Or enlist a former boss whom you can trust to be honest. Bring your materials, lay out what you've done so far, and ask for input.

One mistake many job hunters make is not getting their résumés into the right hands, Bishop says. Terri had been sending applications to the generic addresses listed in the job ads.

Instead, she should take advantage of networking site LinkedIn.com to search for a friend (or friend of a friend) at each firm who can help her identify the hiring manager. Another common misstep: not differentiating oneself from the competition. Terri could make her cover letters stand out by noting specific ideas she'd bring to each position.

Rather than relying on the web for job

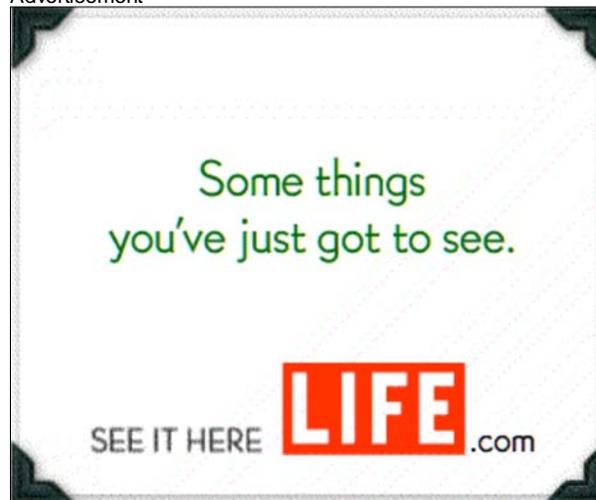
listings (as a lot of beleaguered job seekers do), "Terri should be out meeting people at least a few days a week," says Bishop. "She needs to establish relationships with people who can tell her about opportunities before they're posted."

Many who have been looking for work awhile feel they've exhausted their contacts. But you have to go beyond people you already know, Bishop says. She suggests joining associations related to your industry and expertise, and getting to know members by volunteering for a committee.

Also, use the Companies tab on LinkedIn to zero in on people at firms where you'd like to work. Mention the friend you have in common and request insight into what the company seeks in applicants. You're less likely to raise their hackles or feel awkward yourself if you ask for advice vs. asking about jobs.

With savings dwindling, "the Salernos are in survival mode until Terri gets back to work," says Fair Lawn, N.J., financial planner Cary Carbonaro. Like many families suffering

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from a job loss, they've trimmed spending around the edges, nixing vacations and meals out. But now they must take an ax to expenses to avoid debt.

Carbonaro suggests that people in this situation look honestly at their biggest costs. Can you refinance your mortgage and lower your payment enough to offset the cost? If not, can you qualify for a loan modification to reduce your monthly payments? Are you willing to sell your home and rent? Can you live without two cars? Or can you trade one down?

If those cuts don't reconcile income to outflow, you'll need to find ways of drumming up money. Even though the goal is full-time work, you might ask around your network about free-lance gigs or seek out a part-time job. (Terri got her real estate license recently and has been showing homes in the evenings, though she hasn't earned anything from it yet.)

As a last resort, borrow from retirement savings. The Salernos can take up to 50% of Mike's \$83,000 401(k), which they'd pay back to Mike's account with interest. They'll miss out on growth, and if Mike loses his job, he'll have to repay the loan immediately or owe income taxes plus a 10% penalty. Still, this option is preferable to building costly credit card debt.

If you've been out of work for a while, as Terri has, employers will want to know what you've been doing with your time. It's not enough to say "looking for work." You must show that you're actively adding to your skills and experience.

Project work is a good résumé filler, but if

you can't find any, volunteer your expertise to a nonprofit, says Roy Cohen, author of "The Wall Street Professional's Survival Guide." Charities are stretched thin, and someone like Terri could help by building a database, for example.

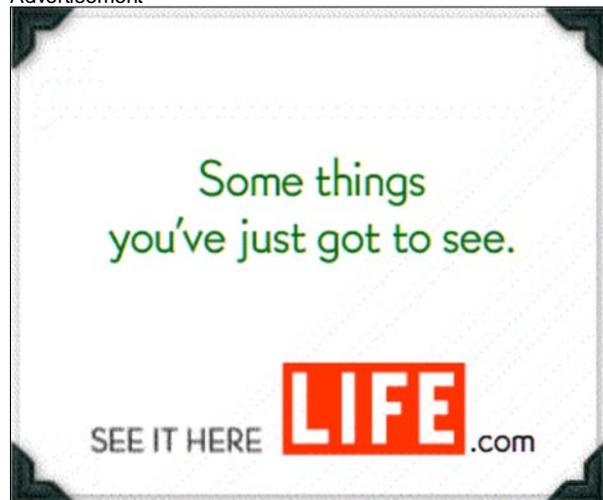
Another way to stay active: Seek out additional training. Some state and local programs will subsidize the costs; check with your Department of Labor.

Terri may go for a project management certification, which Bishop says "could be a home run for her." She's also revamped her résumé and plans to meet up with a project management group.

"This advice made me rethink some of what I was doing," she says. "And I'm excited to get a fresh start on my search."



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