



# (FAQ)

## How to prepare for what might be looming around the corner

**YOU STILL HAVE A JOB**—congratulations!—but maybe all the economic doom and gloom has you worried. No need to be paranoid; just be prepared. Here are some frequently asked questions from nervous job-holders and answers from local experts:

**Q** I was going to take a two-week vacation next month. Now that there have been cuts, should I rethink the timing?

**A** Sit down with your manager and discuss the timing of your planned vacation. Will the timing of your absence fit with the workload and deadlines? Will two consecutive weeks be manageable, or should you split the time into two or more shorter absences? Be willing to accommodate the company needs. Then, before you leave, properly plan so your absence will not cause disruption. If necessary, use technology to keep in touch. Maybe no vacation adjustment will be required. But if a compromise is essential, work out an arrangement that is beneficial to all. —*Sheila L. Margolis, president, Workplace Culture Institute in Atlanta*

**Q** My 401(k) has taken a hit. Should I move my savings or leave it?

**A** Assuming you already have the appropriate allocation based on your time until retirement, we would advise you not to move money out of stock funds at this point. Leaving your money where it is and continuing to buy into the market at set intervals will benefit you over the long term. If your original allocation has changed quite a bit due to market volatility, rebalance your account by contributing new money to the cash equivalent investment offered in your plan. This way you avoid selling current investments while they're down while building up a more conservative side to your portfolio. —*C. Todd Lacey, managing partner, The (k)larity Group*

**Q** Just in case I'm in the next round of cuts, how much money should I try to put aside as a rainy-day fund?

**A** Cash is king in this economy, so you should attempt to save at least enough to cover six months of household expenses.

While this is the traditional "rule of thumb" approach, we are currently advising our clients to save even more if at all possible. In this economy, with unemployment at levels not seen for decades, it can take a long time to find a new job. The burden is on the employee to plan ahead as much as possible. When our clients are faced with this situation, we encourage them to stockpile cash and consider other methods, such as liquidating retirement or brokerage portfolios, to be the last resort. —*Owen Malcolm, senior vice president and chief operating officer, Sanders Financial Management in Norcross*

**Q** My company is stressing how much we need to save money. Should I stop reporting mileage and other expenses?

**A** Absolutely not! In fact, in some organizations these actions would be deemed unethical. Expenses that you have properly incurred to benefit the company should not be hidden by you. Also, be thoughtful of your peers, who will be judged in the future when they properly report the amounts and are unjustifiably held to the higher artificial standard that you created. [Instead] think of ways for your unit to promote revenue maximization or cost controls. —*Gregory S. Kordecki, associate professor of accounting, Clayton State University*

**Q** I'm worried about being laid off and losing my health insurance. Should I try to get all of my annual appointments out of the way before the next round of cuts?

**A** Yes. Take all of your appointments and get treatment for acute conditions. You should get prescriptions filled as soon as possible. Setting up treatments that you expect to continue after the layoff is more problematic. COBRA, the government's post-layoff health insurance plan, is often too expensive to maintain. [Editor's note: The COBRA laws have recently changed, making it slightly more affordable. See our story on page 60.] For many treatments, a partial treatment is worse than no treatment at all. You should discuss the possibility of layoff with your doctor when designing treatment plans. —*Charles W. Hodges, professor of finance, University of West Georgia*