

Strategies for Surviving the Recession

BY ANDREW GOULD, ESQ.

WHILE REDUCING your labor force may seem to be a simple method for cutting costs in the current economy, most companies realize that this should be seen as a last resort. They adversely impact individuals, their families, and, often-times, the community. They can also be expensive, particularly if the employer pays severance to departing employees. For that reason, other cost-cutting measures should always be evaluated first.

ALTERNATIVES TO LAYOFFS:

- implementing a hiring freeze
- eliminating overtime
- creating part-time positions
- reducing benefits
- delaying raises
- evaluating temporary plant/office closings
- increasing an employee's share of insurance premiums
- offering voluntary retirement programs

If layoffs are determined to be required, employers must decide who to let go and who to retain. There are a number of considerations that must

be evaluated to conduct a layoff effectively, efficiently, and within the confines of the law. One important element concerns the payment of severance to laid off workers and whether it is best to secure releases from the workers for severance.

Unfortunately, there are no easy answers. Some struggling companies are in no position to provide individuals with separation pay, while others insist on doing so in recognition of the difficult timing of the layoff. Some request waivers in exchange for severance, while others decline to do so. For individuals, there are many considerations that also come into play—is the severance needed to make ends meet, is signing a waiver in my family's best interest, is there any room for negotiation, etc.

HOW TO AVOID A LAYOFF

For those employees who have avoided being laid off and remain on the job, it could be in their best interest to:

Take advantage of the benefit programs that you are eligible for as an employee. If you are covered by a group health insurance plan, and you

have been delaying a medical procedure, a physical, or something similar, now may be a good time to see your doctor.

Fund your retirement plan with more than the standard percentage of your paycheck (assuming it remains fiscally responsible to do so). While it may not seem prudent to put money into the stock market at this time, there are conservative investments available, including simply keeping the funds in a money market within your retirement account.

and your family.

Try to differentiate yourself from others in your office. Figure out what you can do (and/or speak with your superior for ideas) to make yourself more valuable. While few employees are ever truly irreplaceable, it can't hurt to try to become one.

We are living in tough times. Few doubt President Obama when he says we will come out of this recession stronger than before. Until then, however, we must all do our part to weather this storm. ☐

Until we come out of this recession, we must all do our part to weather this storm.

Prepare for the possibility of a layoff by updating your resume, remaining (and/or becoming) active in your community, civic organizations, trade associations, and the like. You may not be able to control whether your current employer retains your services, but by being prepared, you can control (and limit) the extent of harm to you

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