

# Experts warn: Plan now to avoid financial trouble

By BRIAN WALLHEIMER  
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Lucy Boisse knows what 2,000 workers at Electric Boat are facing. The Moosup resident lost her job at Kaman Aerospace in 2001 when the company moved to Florida. Dealing with a layoff is difficult, but not impossible, Boisse said.

"You just wing it. You cut back and you manage," Boisse said. "It's a scary thing to go through."

The warning Electric Boat has given workers allows them to start planning for the worst while hoping for the best. Financial planners said there are a number of things people facing a layoff can do to prepare.

"Pre-planning is critical," said John Crooks, president of Comprehensive Financial Planning in Norwich. "First and foremost, don't panic and make any rash financial decisions."

Michael Doherty Jr., a financial adviser with Doherty Financial Ad-

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financial planner

visors of Uncasville, said it's important to figure out what's necessary to survive if the layoff occurs.

"Take a quick assessment of where you're at and determine what your bare necessities are," Doherty said.

Doherty likened the situation to planning a retirement.

"Retirement planning is two facets," Doherty said. "What do I do financially and what do I want to do for the rest of my life?"

Many workers may be faced with finding new careers if they aren't old enough to retire. If that is the case, they should find out from their employer if there is any re-training benefit.

Another factor is what to do with current retirement plans such as a 401(k).

"Most often the best option is to roll that over into an IRA or a 401(k) with another company," Crooks said.

Doherty said the last resort would be cashing in a retirement plan to get by while looking for work.

"Absolutely last resort," Doherty said. "The taxes and penalties would kill you."

## Tight budgets

Those who might be laid off might also consider budgeting tightly.

"If there's a high probability you might get caught up in a layoff, absolutely you start building up your (savings)," Doherty said. "Cut back on frivolous things that aren't necessary."

Boisse was left with what she said was a very small severance package, which financial advisers said not to count on. She also had to

## TIPS

For saving money:

- Distinguish between wants and needs. A lot can be saved by buying only the bare necessities and eliminating frivolous spending.

- Opt for less. Buying generic brands or smaller quantities of things can add up.

- Try before you buy. Before you buy an item you aren't sure if you need, borrow or rent it and see how often you really use it.

- Compare prices. Finding the lower price can save a lot, especially when it comes to mortgage rates or new cars.

- Shop the sales. When there is a good deal on something you use often, buy in bulk and save over the long term.

go to school for a year to become a certified barber. She now works at Colchester Barbers in Colchester. But while she was unemployed, her husband supported the family.

"Thankfully, he had a good job and we lived off his income," Boisse said.

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