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## Retrenchment or financial loss

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### Summary

- It is natural to experience a range of reactions to retrenchment or financial loss.
  - The stress of dealing with changing circumstances can lead to mental health issues such as anxiety and depression.
  - It is important to take care of your health and wellbeing – and that of your family – during difficult times.
  - There is a range of support services available and there are practical steps you can take to regain a sense of control over your current situation.
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Dealing with retrenchment or an unexpected loss of income can be challenging for many people, causing significant financial and emotional hardship. These events can take a serious toll on people's health and wellbeing, their relationships, their families and how they see their future.

Research shows that job loss or financial loss can increase the risk of developing anxiety or depression. However, there are steps you can take to regain a sense of control over your current situation.

### Finances can be affected by many life events

There are a number of situations that can affect a person's income or financial security. Some of these include:

- unemployment
- redundancy or retrenchment
- redeployment
- loss of a job
- large investment losses
- loss of retirement income
- loss of investment income.

### Common reactions to significant loss or financial hardship

It's natural to experience a range of emotional reactions in response to an unexpected loss or changing circumstances. Emotional responses to these situations may include:

- shock
- distress
- anger
- guilt
- worthlessness
- sadness
- powerlessness
- helplessness.

For most people, the distress decreases or disappears with time.

Common reactions to significant loss or financial hardship may also include:

- problems getting to sleep or staying asleep
  - tiredness and fatigue
  - appetite loss
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- memory and concentration problems, such as forgetfulness or vagueness
- feeling overwhelmed, anxious or fearful
- mood swings or over-reactions to small things
- muscle tension or pain
- frustration
- withdrawing from others, not socialising as much
- feeling angry, irritable or intolerant
- lowered sex drive
- physical symptoms, such as heartburn, headaches, skins rashes or stomach pains
- embarrassment and guilt – ‘I’ve let everyone down’
- loss of direction and feelings of doubt.

If you are experiencing some of these symptoms over a prolonged period and they are impacting on your life, you could be at risk of developing anxiety or depression.

Losing your job or financial security may also trigger symptoms of grief. These include:

- shock and a feeling of numbness
- disbelief — ‘It can’t be real’
- a sense of loss – this can be connected to the job or finances, as well as dreams and plans for the future
- confusion and trying to make sense of it – ‘Why has this happened to me?’
- anger – a common reaction when people feel powerless or out of control
- pining and yearning
- feeling overwhelmed
- guilt – ‘I wish I’d done things differently’, ‘I’ve disappointed my family’
- a sense of isolation from others and feeling alone in the loss.

### **Seek help if you feel you are not coping**

The distress associated with job loss and financial stress can lead to the development of common mental health conditions, including anxiety and depression. Learning more about these conditions can help you to be aware of some of the warning signs.

Mental health professionals and general practitioners can help you get through difficult times.

It is important to seek support if you are experiencing:

- severe emotional reactions that persist beyond a normal period of adjustment (usually two or more weeks)
- an inability to function and carry out day-to-day tasks
- use of alcohol or other substances to ‘self-medicate’ or cope
- thoughts of self-harm or suicide.

### **Tips to help you stay on top of your emotions**

Working through your emotions and trying to remain positive will make it easier to cope with the situation. It will also reduce your risk of developing anxiety or depression.

Some suggestions include:

- write down your worries – identify the specific feelings you are experiencing and the concern or worry that may be underlying each of these feelings. Writing these down may help you decide which issues to tackle first
- become informed – understanding financial issues such as budgeting, saving, investing and managing debts will help you feel more in control
- get support – identify friends and family members you can talk to and who will help you remain positive
- manage stress – if you have a pre-existing medical condition that may be aggravated by stress, talk to your doctor to see if there is anything you can do to minimise any negative effects

- stay healthy – try to maintain a balanced diet and get some regular exercise to help boost your mood. Avoid drugs and alcohol. You may be tempted to ‘self-medicate’ or try to temporarily escape your reality. Not only can drugs and alcohol worsen your emotional state and increase your risk of developing anxiety and depression, they will also place a further drain on your finances
- don’t expect to have all the answers – remind yourself that it’s okay to feel unsure about the future
- be patient with yourself – recovery from any significant loss takes time
- draw on your strengths – try to recall a tough time that you’ve managed to overcome in the past. Think about what worked then and apply it to your current situation
- try to see the positives – while this is difficult to do when you’re in the midst of a crisis, you can try to view this time of uncertainty as an opportunity to re-evaluate your goals and perhaps take on new challenges
- don’t obsess or ignore – it may be tempting to keep checking the financial news, or conversely, to completely ignore your financial problems by not opening bills. Think about your previous routine and try to stick to it, such as paying bills as you receive them or making alternative arrangements
- become a volunteer – for many people, the most difficult part of job loss or retrenchment is the loss of contribution and lack of interaction with friends and colleagues in a work environment. Working as a volunteer for an organisation you believe in may fill this gap while you’re between jobs.

### **Taking care of your family**

It’s important to take care of yourself so that you can provide for others. While you’re looking after yourself, be aware that your family members may also be having a difficult time. A distressing event such as losing a job or financial hardship can contribute to pressure and tension in the family.

It’s important to explain to your family the impact your situation may have on household spending. Reinforce that this is likely to be only for a limited time, for example, temporarily cutting back on your children’s after-school or sporting activities. Emphasise that this isn’t anyone’s fault and it happens to a lot of families.

Try to set aside enough time to participate in regular activities with your family, especially your children. It’s important to respond to this situation as a family.

Ask yourself:

- Have I discussed the situation with my partner and the impact of these changed circumstances? Do I feel confident that we can address this?
- Have my partner and I explained to our children what has happened?
- If not, how can we approach it so it doesn’t cause distress or scare them?
- Is my family OK? Do they need extra emotional support?
- What steps can I take to ensure that life remains as normal as possible for our children?
- What enjoyable activities can we still do as a family?

### **Tips to get through the tough times**

While there is little you can do to change the state of the economy, there are steps you can take to restructure your finances. This will help you to manage your funds and smooth the transition while you look for another job. You may be entitled to financial assistance or interim payments to help you through this period.

Some suggestions include:

- seek advice – about your entitlements, options for managing your income and support services available to you
- draw up a budget – a budget can help you work out how much money you’ll need to cover costs while you’re going through financial difficulty or unemployment
- set up your own ‘pay system’ for living expenses – deposit your redundancy payment, if you have one, into a separate account and arrange for regular weekly or fortnightly payments to be transferred into your living expenses account. This helps with budgeting and creates a sense of normality and regularity to your cash flow
- take control over your financial situation – contact your bank or any organisation you owe money to as soon as you can if you need to make changes to your loan repayments. Most financial organisations have policies

covering assistance for customers who are experiencing financial hardship

- seek financial support if necessary – financial support is available to people who are facing difficulties or experiencing an unexpected change. To arrange an appointment, call the Centrelink Financial Information Service on 132 300 (or 131 202 for languages other than English) or visit a Centrelink Customer Service Centre.

### Financial advice

It is important to get good advice to help you understand your entitlements and make decisions about how to best manage redundancy payments, superannuation or other forms of income. You will also need to investigate any income support that may be available while you find another job. Financial advice is available from:

- a financial advisor
- a financial counsellor – for referral to your nearest financial counsellor, contact **Financial Counselling Australia** on 1800 007 007
- your superannuation fund advice service
- **Centrelink Financial Information Service (FIS)** Tel. 132 300 – for financial advice for retrenched workers
- **Australian Government Fair Entitlements Guarantee (FEG)** Hotline Tel. 1300 135 040.

### Where to get help

- **SuicideLine Victoria** Tel. **1300 651 251** – for counselling, crisis intervention, information and referral (24 hours, 7 days)
- **Lifeline** Tel **13 11 14**
- **Your GP (doctor)**
- Your local community health centre
- **beyondblue Support Service** Tel. **1300 22 4636**
- Mental health professional
- **SANE Australia** Helpline Tel. **1800 SANE (7263)**, Monday to Friday, 9am to 5pm
- **Australian Psychological Society** – Find a **psychologist service** Tel. **1800 333 497** (outside Melbourne) or **(03) 8662 3300** (in Melbourne)
- **National Debt Helpline** Tel. **1800 007 007** Monday to Friday, 9.30 am to 4.30 pm – a free financial counselling and debt advice phone service for Australians (includes interpreter services)
- **Australian JobSearch** Tel. **13 62 68** – for help finding a job
- **Australian Government FEG** Hotline Tel. **1300 135 040**

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