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Coping With Workplace Change

Change evokes fear in most people because of the uncertainty it presents. People wonder: Will I be adequate for this new position? Will I be able to get along with my new boss? Will the corporation my company is merging with allow me to keep my job?

“Major changes, such as new management, downsizing or a company buyout, can result in a feeling of panic,” says Susan Starr, a human resource consultant and owner of H20 Marks, a Dallas-based marketing company.

Understanding change

When you have a routine, you know what to expect, and even if it’s difficult or boring, it’s consistent and reliable. You have learned how to do your work and deal with the people who work with you. But when something changes, suddenly your routine is broken and you no longer know what to expect.

Even if the change is for the better, the transformation can be difficult. For example, when one company installed a new phone system, a frustrated employee exclaimed, “I know it will be so much better once I get used to it, but right now the phones are driving me crazy.”

“It is the same with any kind of change,” says Ms. Starr. “There is a period of adjustment until you feel the consistency that builds trust and confidence. During this time, you may feel disoriented, frustrated, angry and powerless.”

The best time to prepare for any change is when things are running smoothly. That way, you’ll have time to plan ahead.

One way to do so is to practice the following four A’s of coping with change:

Awareness

Since uncertainty about the future creates the most fear and stress during a change, try to find as much information as you can about your situation. Whom can you ask? What can you learn? What research can you do? The more you learn, the less uncertainty you’ll experience. Behaviors, thoughts and actions that can be learned and developed will help you cope with change.

Acceptance

You may not like the change, but if you accept the fact that it is the way it is, instead of fighting it or complaining about it, you’ll feel less frustrated.

“It’s important to accept transformations with grace and a sense of looking forward to a new experience,” says Ms. Starr.

Attitude

Are you being fearful or are you thinking about the possibilities for improvement change might bring? To focus on the positive aspects of your change, write a list of all the possible positive outcomes.

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Even though minor changes can cause stress and frustration, the good news is that any change can be an opportunity for something positive to happen. What's more, when you learn how to cope effectively with minor changes at work, you'll develop the skills and positive outlook necessary to help you deal with a major change.

Action

This is where you do have some control over the situation. It's how you prepare and respond to change.

The following positive actions can help you cope.

- Develop a network. Always keep in contact with your managers and fellow employees from former jobs. Your network will be a valuable resource in times of change.
- Learn new skills. Learn a new computer program. Take a class in communication skills. Learn to make presentations. Ongoing training will add skills to your professional tool kit.
- Change your surroundings. Do what you can to make your work area pleasant and comfortable.
- Ask action questions. Whom can you talk to if a situation is getting more difficult to cope with? How can you get to know a new boss or coworker? What ideas can you present to your company that will help with the change?

"The key to coping with change is resilience," says Ms. Starr. "Resilience means knowing how to survive and making the best of change in spite of setbacks, barriers or limited resources."

Mind Over Money: Creating a Spending Plan You Can Stick To

It may not say so in the job description or on the business card, but we are all managers. We manage our time. We manage our health. We manage our households, our families and our kids (even if it sometimes seems as if they're managing us!).

Then there's our money. Anyone who has cash coming in and bills to pay needs a plan for managing day-to-day finances. Why bother? Because creating and following such a plan is rewarding to your bottom line and your peace of mind. Want to stress less about money? Want more control over your financial present and future? Want a clear idea of how much money you can afford to spend, to save and to share? Then you need a household spending plan. Here are a few keys to managing a day-to-day budget:

Itemize.

Start by making a detailed list of income and expenditures. Income is what you earn from your job, plus money coming in from other sources, such as Social Security, stock dividends, etc. On the expenditure side, there are non-discretionary expenses (financial commitments and necessary living expenses, from mortgage, rent and student loan payments to food and transportation costs) and discretionary expenses (things you choose to spend on, such as dining out, vacations, etc.). Your tallies of the money you take in and spend over the course of a month provide the basic parameters for a spending plan.

Find a framework for your plan.

Once you've itemized, look for an easy-to-use, readily accessible method for the numbers you'll be tracking. While you could create such a framework yourself with a pen and paper or a basic spreadsheet, a host of eminently affordable and easy-to-use online tools help you establish and maintain a spending plan via computer or smartphone. "Do whatever fits your lifestyle — whatever is easiest for you," advises Christine Parker, CFP®, of Parker Financial in La Plata, Md. Websites such as Mint.com do most of the heavy lifting for you. Mint.com offers a range of online personal finance tools, along with a downloadable app for the iPhone, Android and iPad. They're useful and — here's an important consideration for the budget-minded — they're FREE!

Choose pillars to support your plan.

Decide on a few simple commitments that will help you stick to the plan, and incorporate those into it — things like "use cash instead of credit cards whenever possible" or "pay my entire credit card balance each month."

Read up.

Guidance and info on household budgeting abound on the Web. Start by accessing a downloadable guide, Budgeting: Managing Your Money With a Spending Plan that includes a budgeting worksheet.

Be flexible.

For example, rather than hold yourself to a specific dollar amount for a certain line item, give yourself a range. For unforeseen events (health crisis, job loss, etc.), have an emergency fund for covering costs that run beyond what your budget can accommodate, so you won't have to rely on credit cards in a pinch. Revisit and revise the spending plan as circumstances change, such as if you get a raise or have a child.

Keep your eye on the prize.

If you find yourself straying from your spending plan, remind yourself why you pursued a household spending plan in the first place. "It's good to remember what you're trying to accomplish — what you're working toward," explains Parker. Rather than give up on the plan, revise it so it's easier to stick to.

Reward yourself

and members of your household for their hard work sticking to the spending plan. Establish incentives for following the plan — a new book, dinner at a favorite restaurant, an outing to the movies, etc. A modest reward can go a long way.

Get assistance.

One meeting with a financial planner can net you a professionally prepared cash flow analysis, plus budgeting ideas you may not have considered. Visit the Financial Planning Association's national database at www.plannersearch.org to find a personal finance expert near you.

This column is provided by the Financial Planning Association® (FPA®), the leadership and advocacy organization connecting those who provide, support and benefit from professional financial planning. FPA is the community that fosters the value of financial planning and advances the financial planning profession and its members demonstrate and support a professional commitment to education and a client-centered financial planning process.

The Simple Living Trust

by Michael Palermo

The simple living trust, sometimes called an "inter vivos" (Latin for "lifetime") trust, is revocable. The person setting up the trust, called the "grantor", transfers ownership of assets to the trust, but maintains complete control over everything, including the right to terminate the trust during the grantor's lifetime.

In the case of a married couple with children, when one spouse dies, the trust can be set up to remain revocable, with the surviving spouse in control as sole trustee. When the surviving spouse dies, the trust funds can be divided into separate trust shares for each surviving child, or the trust can continue as one fund (called the "single pot approach") for the benefit of all the children.

Choosing A Trustee

In most families with living trusts, the parents initially choose to be their own co-trustees. If desired, the parents can consult a financial advisor initially, with periodic reviews. This arrangement gives the parents maximum “hands on” control over the appropriate use of funds to meet the family’s needs.

In some situations, however, the parents are uninterested or unable to continue managing their assets after transferring them to a trust. They realize that with a revocable living trust, using another as a trustee does not mean loss of ultimate control. The grantor can issue orders to the trustee or fire the trustee if necessary.

If the grantors are not to be their own trustees, they obviously want a trustee with a similar investment philosophy, as well as the necessary experience to handle the amount and kind of assets placed in trust.

In some families, an adult child is well suited for the role of trustee, or alternate trustee. But a child is probably a trust beneficiary, which gives him or her at least the opportunity for preferential treatment. And if there are other beneficiaries, they might view the child who is trustee with jealousy or suspicion, even if there is absolutely no basis for it. Parents also may mistakenly assume that a child who has done well financially for himself is automatically qualified to invest money for others.

If a child is ruled out, and there are no other appropriate trusted friends or family members, grantors of trusts should consider an institutional trustee such as a bank or trust company. These institutions charge a percentage of the overall trust assets, but also have minimum annual fee schedules, which vary with the degree of effort put into managing the trust. When interviewing an institution as a potential trustee:

- Determine whether you feel personally and philosophically compatible with the person who would actually be managing the trust, by asking questions about investment strategy
- Get a detailed accounting of all fees and services offered
- Find out whether the institution can tailor a trust to meet your specific needs, instead of fitting you into a “one size fits all” prearranged program
- Find out how receptive the institution would be to a co-trustee who is a family member
- If the trust would be managed by a trust committee, find out about the decision-making process involved

At the Death Of the Last Grantor

If there is only one grantor, the simple living trust becomes irrevocable at his or her death. If the grantor has been serving as his or her own trustee, it’s important to have an alternate named to handle post-death affairs and property distribution.

The trustee distributes the assets as directed by the trust, bypassing probate court. The will that should accompany a living trust is sometimes called a “pour over” will, because it “pours over” into the trust any assets that haven’t already been formally transferred to it, or that the grantor acquired after the living trust was created. A will is also still necessary to name a guardian for minor children.

Michael Palermo is a Lexington, Kentucky estate planning lawyer and Certified Financial Planner. More information about estate planning can be found on his Web site.