

PATHWAYS

GREENPATH NEWSLETTER



How to Recover from a Financial Setback

The financial trajectory in our life is full of ups and downs. As the saying goes, "That's life." We are all going to experience times when we feel like the wind is at our back, and other times when we feel like our financial world is caving in on us.

If you find yourself in the second category, it will be okay. First, know that you're not alone. Many people have been in your shoes before and have come out on the other side.

Second, know that there are tangible steps you can take today to get yourself back on the path to the financial wellness. So dust yourself off, take a deep breath, and read on for some strategies to get you back on your feet.

Don't panic

Take a deep breath. You've got this. You will turn this situation around. You're already starting by reading this post! It may seem small, but small steps accumulate over time, and soon you will be back on track.

Note that fear is your worst enemy. Fear can cause you to make rash decisions. Just take it easy, don't beat yourself up, and take one thing at a time.

Assess the setback

Is this a short-term setback, or something that will impact you over the long run? Is this a one-time mistake that you can learn from, or is it part of a recurring pattern that you need to break?

Try to get a realistic picture of your financial situation by making a list of your losses and comparing it to your budget. Remember, this isn't meant to be an exercise in loathing and self-pity.

It's merely meant to give you clarity. By confronting your situation head-on, you are more likely to find peace and start your way back to financial wellness.

Cut your losses

Don't fall victim to the sunk cost fallacy. A sunk cost is a past cost that you can't recover. The sunk cost fallacy is the belief that you can't give up because of all of the time and money that you've already spent.

Don't listen to this voice. It is asking you to throw more money down the drain. Just accept that the money is gone, and look ahead to how you can get back on track.

Create a plan of action

Start with small steps that get you early wins so that you can build momentum. If this seems like too big of a challenge, give us a call and a GreenPath financial Expert can help you develop a plan that works for you.

A plan is important because it shows you what success looks like and how it is achieved. Plans can always be adjusted. If you think you need some tweaks, don't be afraid to make them.

Find your joy!

Doing things that make you happy is an important part of sustaining the path to financial wellness. There are lots of free and inexpensive things you can do to find your joy as you embark on this journey. Check out the activities at your local library or park. Join a running club. Take up reading, writing, or drawing as a hobby. These activities can keep you happy and motivated while helping to relieve some of the daily stress.

If you are facing a financial setback, you are not alone. Our caring Financial Experts are here to help ease your financial stress, address your financial concerns, and develop a plan for living a financially healthy life.

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