

## EMPLOYEE ASSISTANCE PROGRAM

# OVERCOMING FINANCIAL SETBACKS

### *Recovering emotionally and financially may take time*

Financial setbacks can happen to anyone and often cause a great deal of stress and anxiety. Perhaps you're dealing with a major auto repair bill, an unexpected medical expense, your partner's job loss, or another catastrophe. The emotional impact may be just as great as the loss itself, and recovering mentally as well as financially may take time. It's normal to feel angry and upset, especially if the setback was out of your control.

The first step is to assess your situation and determine the financial impact. How much money have you lost in total and is this a one-time problem or an ongoing issue? What bills take priority and which can be partially paid or postponed without badly damaging your credit? Do you have an emergency fund? Review your monthly budget and see if there are household expenses you can decrease or eliminate, as well as any opportunities to earn more income.

If there are bills you absolutely can't afford to pay, contact your creditors and ask for payment options. It's worth the effort and shows good faith on your part, but do this before they file liens or send unpaid bills to collection agencies. If you're contemplating an early withdrawal from a retirement account, consider consulting a financial professional first. Taxes and penalties can be severe depending on your age. And if borrowing from retirement funds is allowed by your plan, weigh the pros and cons carefully. Can you afford timely repayments? If not, the tax consequences may be prohibitive.

Finally, during a time of stress and sacrifice, take care of yourself and avoid unhealthy ways of coping, such as excessive alcohol use, overeating, or other behaviors that are likely to make you feel worse. Have faith that you can turn things around for the better by taking action, and seek emotional support from people who care about you.

