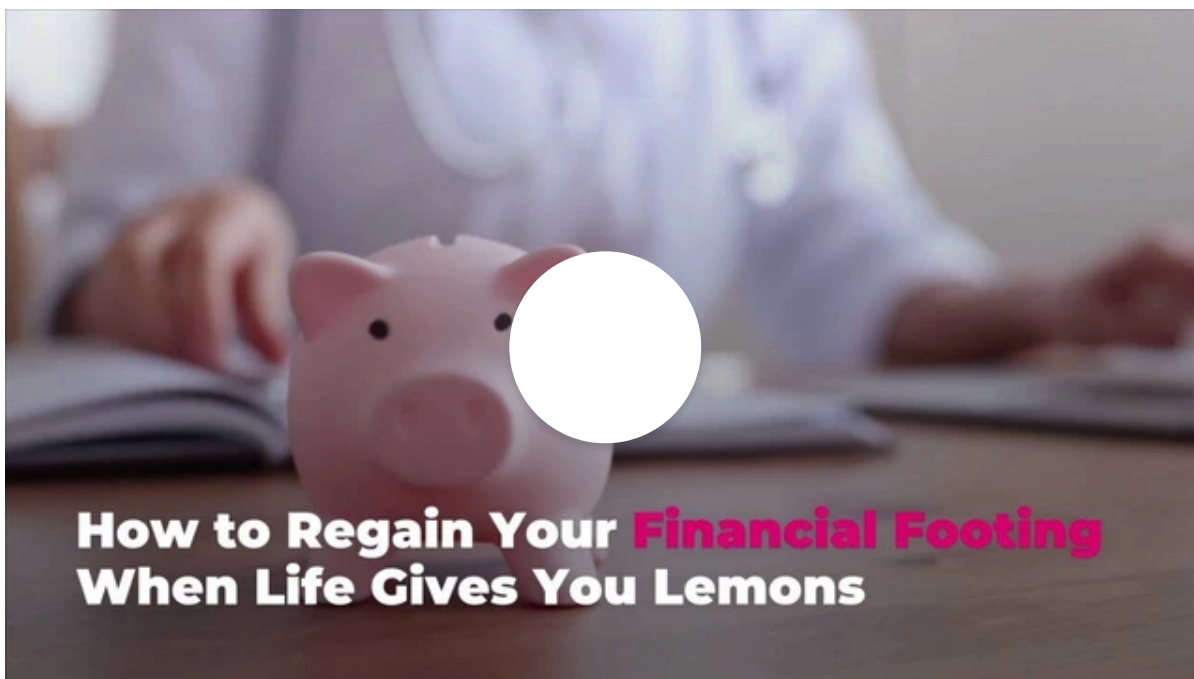


LIFE > MONEY

How to Regain Your Financial Footing When Life Gives You Lemons

Money pros give their best guidance on how to handle financial hardship and unexpected life changes—making setbacks from a divorce to a death more manageable, money-wise.

By [Madeleine Deliee](#) | Published on June 4, 2021



Despite the best-laid plans and all that, life has a way of throwing curveballs. When it does, money complications tend to follow. Curveballs like divorce and death can be especially hard to handle and adding financial uncertainty ratchets up stress still further. While you can't prepare for everything, we spoke with Andrew Hahler, financial professional, and Rachelle Smith

advice on taking steps to make those curveballs more manageable.

Both Hohler and Smith agree that the most important first step is to take a breath and resist the urge to make big changes.

Assessing where you are once you're on more solid ground emotionally is likely to be far more helpful. Unless there are deadlines involved, Smith advises, wait until you have a clearer perspective.

"Renaming beneficiaries, changing your will, or updating insurance policies may require more immediate attention," she adds, suggesting that hiring a financial professional to assist with these and more complicated matters will provide peace of mind. "Consult to get them done without making mistakes," she says.

Hohler notes that she helped her own mother through this situation. "I told her to wait until the dust settled and then try to see in a year what she needed, what pops up," she recalls. In a year, her mom had the distance and healing to identify what her new life looked like. Even with a plan in place, however, there were surprises along the way. "You can be as organized as you want, but there's always going to be a mystery account or two," Hohler says. Taking that time lets life settle and reveal what needs attention.

A pause to assess also allows for a more reasoned and thoughtful approach to large changes, like buying or selling a home or liquidating assets. "Go ahead and cut and color your hair," Smith urges her clients who want to make a change. "But wait to buy a car or sell your house. See what the market is doing and let that determine the timing." Sure, big moves might feel necessary or even cleansing—but that relief won't last if the market isn't favorable.

Leaning on a support network can help to bridge that in-between time, and that might look different for different people. Smith advocates relying on professionals. "I have a spiritual coach, a financial coach, a tax advisor," she says. "If you run into something you can't handle, you want that trusted advisor." Hohler agrees that support is necessary, but she sees a more personal element. "In a situation where you're in the fire and just need to survive, look to your village," she says. "I think women tend to have this more. Find that group of support, whether it's an activity group or church or your family. If you truly don't have support, find a village to start that healing process."

If you're not currently coping with an upheaval, planning can mitigate some potential financial confusion. Hohler recommends creating a family binder that includes all accounts, information, and passwords in one place. "It should also have wills and all documents needed for moving forward," she says, noting that having this not only consolidates information, but can also assist with future financial planning. "It can help to identify areas of need, including debt," she explains.

Smith advises keeping liquid cash available. "It needs to be specifically for an emergency, whether that's loss or a major home repair expense," she says. "I'm not in favor of credit cards, but if you have one with an open credit line, you can access that. Most people can put aside \$1,000 or \$1,500 at some point. That's the minimum you want to have." Ideally, however, she cautions that the safety net should be more like three to six months of living expenses.

On a more day-to-day basis, Smith also has advice for stay-at-home parents. "There's an amount of [the working spouse's] income that's [the stay-at-home parent's]," she states. "There needs to be a joint account for bills, but they should have her

and our minds are not at their best then," Smith says. "You have to always have the mindset of, *what if this doesn't go the way I want it to go. What is my plan?*"

The fact is, at some point, life hands everyone a lemon or two. Preparing and knowing how to handle those lemons, though, can make the experience a lot less sour.

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