



3 Steps to Recovery After a Financial Misstep

We all make mistakes. And sometimes those mistakes seem insurmountable. However, there is no reason to admit defeat just because you've made a mistake. While you may have set back your finances due to your financial mishaps, the good news is most of the time you can fix it.

Check out these 3 steps to recovery after a financial misstep:

1) Acknowledge where you went wrong

Understanding your mistake is the first step to tackling the actual problem. If you are in deep debt, don't identify debt as the problem. Realize that debt is the



symptom. What caused the debt? Whether you have withdrawn money from your retirement account, or racked up too much debt, you need to know what's wrong. Be honest about the problem, and then try to avoid repeating the mistake.

2) Get back to financial basics

Now that you know where you need to improve, it's time to get back to financial basics. These are the basics we all know, but may have fallen out of the routine of doing. This means returning to good financial habits like:

- Spending less than you earn
- Paying down high interest debt
- Building up your emergency fund
- Having retirement contributions automatically deducted from your paycheck

It's essential you look at where you are right now, and go from there. Take steps to stop digging your debt hole deeper.

3) Super-charge your efforts

Look for ways to cut your expenses. Write down everything you spend your money on in a week. Use that money to pay down debt and/or boost your retirement savings. Downsizing now can also get you used to a certain lifestyle so that you will need less money in retirement. Another way to super-charge your efforts is by finding ways to earn more money. This might mean a second job, selling stuff you don't use anymore, starting a side gig, or finding some other way to earn money.

