



Strength After Setback

REBUILDING FINANCIAL CONFIDENCE AFTER MAJOR LIFE EVENTS



Life doesn't always change in gradual, predictable ways. Sometimes it shifts in an instant — through a divorce, the death of a loved one, a sudden illness or injury, or another deeply personal loss. In those moments, your emotional and physical well-being naturally take priority. Grief, fear, and exhaustion can make even routine decisions feel overwhelming.

Yet while you are coping with what has happened, the financial implications do not pause. Medical bills arrive. Legal expenses accumulate. Income may change — or disappear entirely. The stability you once relied on can feel uncertain, leaving you to navigate both emotional recovery and financial disruption at the same time.

It's no surprise that financial decision-making becomes more difficult during periods of grief or trauma. When life begins to settle, many people find themselves facing a new reality: picking up the financial pieces, redefining their goals, and rebuilding financial confidence.

This process rarely happens overnight. Rebuilding financial confidence after a life-altering event requires patience, clarity, and steady steps forward. In this article, we explore the emotional and financial impact of major life disruptions and practical ways to restore stability and move forward with confidence.

Why Financial Confidence Often Disappears After Crisis

After a significant loss or disruption, your brain shifts into survival mode. Emotional processing takes priority, and long-term planning can feel distant or even impossible. This is a natural stress response to a significant life event. Grief and trauma can completely rewire your brain. Your body essentially goes into “fight or flight” mode and stress, anxiety, and panic can become overwhelming. This type of response disrupts sleep and can attack your immune system and heighten your risk of cardiovascular conditions.

At the same time your emotional world feels unsettled, your financial world may be shifting as well. For example, if you or someone in your family experiences a serious medical event, you may suddenly be navigating insurance claims, deductibles, and out-of-pocket expenses while also managing time away from work. If you are going through a divorce, you may be adjusting to a single income, dividing assets, or taking sole responsibility for financial decisions for the first time. In the event of a death, you may also find yourself settling an estate — managing accounts, updating beneficiaries, coordinating with attorneys, or navigating the probate process — all while grieving.

These financial changes are not minor adjustments. They can include new debt, legal expenses, housing transitions, or the administrative weight of untangling accounts, policies, and paperwork. The structure you once relied on may no longer look the same.

When so much feels uncertain, it is common to become hesitant about financial decisions. Decisions that once felt straightforward, such as paying bills, debt management, and staying aligned with long-term goals can suddenly feel high-stakes and complicated. In some cases, caution turns into avoidance, not because you are incapable, but because you are trying to protect yourself from further disruption.

When emotional strain and financial uncertainty happen simultaneously, confidence often erodes quietly. You may second-guess decisions you once would have made easily. This loss of financial confidence is not a sign of failure; rather it is a predictable response to instability.

Recognizing why confidence feels fragile is the first step toward rebuilding it.

01 | STABILIZING YOUR FINANCIAL FOUNDATION

After a major life disruption, you might feel the urge to make sweeping financial decisions, such as reorganizing accounts, redefining long-term goals, or attempting to immediately “get back on track.” Yet the most constructive first step is often stabilization. This stage is less about perfection and more about regaining clarity, protecting what remains, and restoring a sense of control.

Financial stability first begins with visibility into your entire financial picture. Developing a clear understanding of cash flow (what is coming in and what is going out) creates an essential foundation during uncertain periods. Reviewing account activity, identifying income sources, and mapping essential expenses such as housing, utilities, food, transportation, healthcare, and insurance helps establish a realistic baseline. Clarity at this stage reduces uncertainty and supports more confident decision-making.

Where appropriate, temporarily reducing discretionary spending can ease financial pressure without requiring permanent lifestyle changes. Simplifying financial structures by consolidating accounts or automating essential payments can also lessen administrative strain at a time when mental bandwidth may be limited.

If, after this simplification, you find that you are unable to pay certain bills, you will want to consider communicating your situation to your creditors. Many institutions offer hardship programs that include temporary adjustments such as modified payment terms or fee waivers. Addressing these matters early can help prevent additional strain such as delinquency, late fees, or legal action.

This is also a critical time to confirm that financial safeguards are in place. This may include reviewing insurance coverage, updating beneficiaries, and revisiting estate documents following divorce, illness, or loss. If emergency reserves were used to navigate the disruption, rebuilding them over time can further reinforce stability.

Once stability has been reestablished, long-term planning can resume with greater clarity and confidence.



02 | RETHINKING YOUR FINANCIAL PLAN

As life circumstances change, a financial plan should evolve alongside them. Once stability has been restored, the next step is thoughtful reassessment, ideally in partnership with your financial advisor. A major life event often reshapes priorities, and revisiting your plan together can help ensure it reflects your current reality.

This conversation may begin with thinking about your long-term goals. Working with your advisor may involve asking questions such as: has my retirement timing shifted? Does my current housing situation still make sense financially and practically? How have my career plans changed following illness, divorce, or new caregiving responsibilities? Life events can introduce new obligations or remove old assumptions, and aligning your financial strategy with those changes is an important step toward rebuilding confidence.

Risk tolerance is another area worth revisiting. Significant disruption can alter how comfortable you feel with market volatility or long-term uncertainty. While it may be tempting to make rapid changes in response to fear, measured evaluation is typically more constructive. An advisor can help distinguish between emotional reactions and strategic adjustments, helping ensure that any portfolio changes support long-term objectives rather than short-term anxiety. In some cases, strengthening short-term reserves — such as rebuilding an emergency fund in a liquid, low-risk account — can provide reassurance without requiring drastic investment shifts.

Income sustainability should also be reviewed. Following a divorce, loss, or health crisis, income sources may change in stability or duration. Social Security benefits, disability payments, insurance proceeds, or reduced work capacity can all reshape the financial landscape.

Reassessing your finances is not about starting over. It is about making sure that your financial plan is aligned with the life you are living now. With clarity around goals, risk comfort, and income stability, the focus can gradually shift from adjustment to rebuilding.

03 | REBUILDING FINANCIAL CONFIDENCE

After stability has been restored and financial plans have been reassessed, the final step is rebuilding financial momentum. Financial confidence rarely returns through one large decision. More often, it is rebuilt through steady progress, consistent habits, and small milestones that gradually restore a sense of control.

Reestablishing financial security is a key pillar in this process. One of the most meaningful milestones in financial recovery is rebuilding an emergency reserve. Even modest savings, when contributed consistently, can gradually strengthen stability over time.

Automating savings can help make this process easier. Setting aside a portion of income regularly — whether monthly or with each paycheck — allows savings to rebuild gradually without requiring constant attention or decision-making. While progress may feel slow at first, consistent contributions can recreate the financial cushion that helps absorb unexpected expenses such as home repairs, car maintenance, or other unforeseen costs.

At the same time, it is important to thoughtfully manage any new financial obligations that may have emerged from the life event. Medical expenses, legal costs, estate administration fees, burial costs, or property-related expenses can all create new financial pressures. In some cases, insurance may cover a portion of these expenses, but remaining balances may require a structured repayment plan.

Many institutions offer payment arrangements for large expenses. Hospitals, for example, often provide payment plans, though they typically require patients to request them directly. Similar arrangements may be available for other costs, such as legal or funeral expenses. Because the terms of these plans can vary and may sometimes include higher interest rates, reviewing options carefully is important. Working with a financial advisor during this stage can help ensure that repayment strategies remain manageable and aligned with broader financial priorities. The goal is to make steady progress without creating additional strain on day-to-day financial needs or rebuilding savings.

As stability continues to return, attention can gradually shift back toward long-term financial goals. Regular check-ins with a financial advisor can help ensure that plans remain aligned with evolving circumstances and priorities. Rebuilding financial confidence does not happen overnight, but over time, consistent progress can restore financial flexibility and strengthen your ability to navigate future uncertainties.



CONCLUSION

Major life disruptions can reshape both your personal and financial world in ways that are difficult to anticipate. Amid grief, uncertainty, or sudden change, it is completely natural for financial confidence to feel shaken. Rebuilding that confidence takes time, patience, and steady progress.

The path forward rarely requires dramatic decisions all at once. Instead, it unfolds gradually — through stabilizing your finances, reassessing your plans, and rebuilding a sense of security step by step. Each small action contributes to restoring clarity and control.

You do not have to navigate this process alone. Your financial advisor can serve as a steady guide during periods of transition, helping you evaluate decisions thoughtfully and adjust your financial plan as circumstances evolve. Whether reviewing goals, discussing new priorities, or simply providing perspective during uncertain moments, these conversations can help ensure that your financial plan continues to support the life you are rebuilding.

While the events that brought you to this moment may have been unexpected, the future does not have to remain uncertain. With time, careful planning, and trusted guidance, it is possible to move forward with renewed confidence and a financial plan that reflects where you are today and where you hope to go next.



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