



## Working the Baby Steps During Hard Times

If you've been impacted by these challenging times, you might be wondering what this means for where you're at in the 7 Baby Steps. Here's some specific guidance on what to do if you've been impacted economically by hard times.

Let's break it down step by step:

### **Baby Step 1**

If you were just trying to save up your starter emergency fund, and all of a sudden you find yourself in the middle of a crisis, we feel for you. This kind of thing is why having an emergency fund is so vital—because it puts a buffer between you and the unexpected stuff that pops up in this life.

If you've already saved up that \$1,000, you might need to pull from it to make ends meet right now. That's okay! That's what having an emergency fund is for. And if you haven't hit your Baby Step 1 goal, it's time to shift your focus. Right now, you just need to pile up as much cash as you can (and don't stop at \$1,000). Save whatever cash you can!

### **Baby Step 2**

If you run into tough times, put Baby Step 2 on pause. It's time to get serious about covering your Four Walls (food, utilities, shelter, and transportation) and dipping into your emergency fund if need be. Remember, that's why it's there.

But whatever you do right now, do not grab a credit card and do not take out a loan. Don't listen to some passerby who says you should get a personal loan because rates are really low—adding debt won't help your situation.



You don't want to make a reckless, knee-jerk decision based on anxiety and panic. When you're facing the harsh reality of challenging economic times for who knows how long, it's easy to go into freak-out mode. But don't get suckered into a credit card or loan—that will only make things worse.

As scary and uncertain as things might look right now, loans and credit cards aren't your safety net. They aren't an emergency fund. They aren't going to be your savior and solve all your problems.

Believe us, taking on new debt will only make things worse, not better. A bad financial decision in this season can have a lasting impact on your money and haunt you for years to come.

### **Baby Step 3**

The good news for those of you in Baby Step 3 is that you've been working on saving up an emergency stash to get you through 3–6 months' worth of life's expenses. If you need to pull from that emergency fund, you have some money there to use. Stop for a second and let that bring you some peace of mind. It's not all doom and gloom, because you've gotten out of debt, and you've put in the hard work to prepare for a storm.

### **Baby Steps 4-7**

If you're investing in Baby Steps 4–7, you're probably watching the ups and downs of the stock market like a hawk. We get it, but just remember this—ride it out. Don't pull your investments and hop off the roller coaster. Stick it out. Call up your investing pro and let them help talk you off the ledge. And whatever you do, don't cash out your retirement accounts during temporary economic downturns.



But during hard times, there's more you can do than simply look out for number one. You know that whole "live and give like no one else" thing? This is the perfect time to do it. Be generous. Look for the ways you can help your neighbor and offer up some much-needed hope to the people around you. Do you know a family who needs some food? You can have groceries and essentials delivered straight to their door. Call your local church or community organizations and ask what you can do to help those in need. We are blessed to be a blessing, and that's the mantra you need to take up now more than ever.

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