

AKINTUNDE OLANIBOJI
ID: UM 70224BPR79373
MASTER IN PROJECT MANAGEMENT

COURSE NAME
Dealing with Financial Grief and Loss

TOPIC
Bouncing Back from Financial Grief and Loss

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1.0 INTRODUCTION

A financial loss is financial damage suffered by one or more people because of faulty service performed by an organization. The loss is not directly attributable to personal injury or damage to property.

Financial loss is not only about money. It is about the way of life: everything changes when one loses the money that afforded them a lifestyle. Many things they worked hard for and shared with family and friends, like holidays, restaurants, shopping, gifts, recreation, and hobbies, may all take a hit when there is no income. It is about the family home: when you have to sell your home to repay debts or have no money to afford the mortgage, it may seem like the last straw.

Financial loss is about hopes, plans, dreams, and aspirations: these can all be shattered and go out the window. A person's whole future looks nothing like the planned picture they had in their mind or the promises they made to themselves and their family. Retirement plans may have to be revised. A person will have to start again to rebuild life from the beginning, and this is not what they ever imagined or thought could happen to them.

Financial loss can affect self-image: the view of oneself as a successful business person or employee or provider and protector for one's family is now challenged and possibly shattered. To lose one's life savings or the money or job that gave you status or meaning and a sense of self-worth was never a part of one's plans.

The response to all this loss is called grief. It is real, it is painful, and it hurts. Grief like this can be expressed in the following ways:

- a. **Confusion** – People can begin to say things like: "Who am I? I used to be a successful business person. I was the one my family looked up to – now, I do not know where to begin. I cannot think straight."

- b. **Anger** - One can ask questions like: "Why me? It is not fair. How could the bank do this to us? How could someone rip me off like that?" Even anger at yourself for getting into this position is normal.
- c. **Blame** - Blaming yourself or others; planning revenge may all be part of the search for answers while trying to make sense of all this.
- d. **Guilt** - Your self-talk may sound like this: "It is all my fault.", "I should have seen it coming.", "Why did I invest in that?", "I have wrecked my family's life and future.", and "Why was not I more vigilant"?
- e. **Embarrassment** - "What will people think of me?", "How do I tell my mates?" It is not a subject that is easy to talk about or something we chat about with our neighbors. It is very personal and painful to reveal financial loss or ruin to others.
- f. **Sadness** - a natural response will be that you are upset. Fear and anxiety around what the future holds and the uncertainty ahead may lead to deep despair, sadness, and tears.
- g. **Hopelessness** - some may have thoughts of suicide – if this is the case, you must speak to someone and seek professional assistance. It is not a sign of weakness. On the contrary, it takes courage to admit you need help.
- h. **Preoccupation** - is all one can think about; one may spend hours trying to find solutions and thinking of a way out of this. Mental and physical exhaustion may result.
- i. **Denial** - acting like nothing has happened and continuing the lifestyle or spending to maintain a successful image. Denial may also be directed towards the feelings of grief- I should not be so upset because it is not like someone has died; it is only money. However, the truth is that one needs to grieve; one should not devalue their feelings.
- j. **Shock** - initial disbelief is typical: "I cannot believe it is true. I cannot believe this has happened to me."
- k. **Withdrawal** can be hard to face others or attend usual social functions, especially when you have to put on a happy face and act as if everything is fine. You may also

want to be left alone, in your shed, or somewhere else to be on your own, which may be the safest option.

- I. **Helplessness** - "Where do I start? I have lost everything; it is too hard to begin all over again." Thoughts like this can be coupled with a lack of energy, motivation, or depression.

Panic attacks, headaches, insomnia, lack of appetite or comfort eating, drinking heavily, drug-taking, feeling depressed, and suicidal thoughts - are all possible responses that are not to be discounted or overlooked. They are just a partial list of the feelings, thoughts, and behaviors part of the grieving process.

2.0 Complications of Financial Grief

Financial loss is not only about money. It probably would not be so devastating if it were. Below are losses that complicate Financial Grief:

1. **Retirement plans:** Those ideas you had about retiring in a few years may have gone by the wayside now due to your 401K and IRAs losing money, having to dip into your savings sooner than you thought to keep the house, your business earning much less than in the years before the recession, unemployment, or losing your house.
2. **Housing:** That loan that seemed so great a few years ago has you upside down and struggling to pay your mortgage. Alternatively, maybe you have already had to sell your house, or you were foreclosed on the last thing you expected.
3. **Lifestyle:** Your lifestyle may have taken a big hit in the last couple of years. Eating out, vacations, recreation time and activities, buying gifts for others. Many of the things you took for granted have now changed.
4. **Life Script:** When very young, you started to write a Life Script for yourself. "I am going to be a doctor," "I am going to be a scientist," and "I am going to work with animals." As you grew, you expanded your script, "I will go to college, have a good job, get married, and live a healthy, happy life." Most likely, your Life Script did not

include, "I am going to lose all my savings when I am 60" or "I am going to trust someone to make me much money just to have them steal it all so I can go back to work when I am 70" or "I am going to buy the house of my dreams and then be foreclosed on four years later." The abrupt alteration of your Life Script, changes in your lifestyle and housing, and shattering of dreams for yourself and your family magnify the financial loss's emotions. Still, since we can see that all of this adds up to a BIG LOSS, why is it so hard to express grief about finances? What is it about this type of grief different from the emotions we feel when we lose someone we love? Well, there are some complications:

5. **Embarrassment:** It is one thing to tell someone that your mother died, but a completely different thing to share that you lost your money in a Ponzi scheme (adjustable-rate mortgage, Lehman Brothers collapse, job loss, or any other issue related to the recession.) We do not usually chat with our neighbors and peripheral friends about issues related to money; it is just not one of our cultural norms.
6. **Loss of identity:** If one identifies with their work and social status, among other things, and so they might be unsure of whom they are when going through financial loss.
7. **Feelings of betrayal:** Dealing with a loss is difficult enough without the added emotional fallout from feeling betrayed by banks, mortgage lenders, the government, Bernie Madoff, and Wall Street. Now you are dealing with grief and anger, and resentment as well. In addition, the anger and resentment may be at a spouse, friend, or relative who gave you bad financial advice.
8. **Denying the magnitude of the loss:** It is straightforward to think, "I should not be feeling this bad. It is not like someone has died." You devalue your feelings because it is "not as bad" as something else. The thought that financial crisis = personal failure: "If I were a better money manager, this would not have happened. I am such a jerk." "Why did I listen to that broker? I knew better. It is all my fault." "I must be a real loser to have thought I could refinance my house with an

adjustable-rate mortgage." This mythological thinking is straightforward to fall into but not helpful (or valid.)

9. **Lack of social ritual for this kind of grief:** We have many rituals for the death of a person: funerals, memorials, sitting shiva, wakes, and so on. These customs help us with closure and adjusting to the world without our loved ones. However, there are no rituals around the loss of finances and the dreams that went with them. We are left feeling unfinished and lost.

3.0 How to Cope and Manage Financial Grief and Loss

- I. **Grief:** Do not is ashamed of feeling grieved. Accept the fact that this loss has happened to you. Denial is a solid and protective mechanism. It helps numb you against pain until you are ready to deal with it. Sometimes you need to consciously move out of denial, though, and work toward acceptance. Intentionally assess your situation and accept its reality. Honor your grief about what you have lost. It is a loss – be careful not to minimize it. Do not resist. It does not mean giving up. However, it does mean acknowledging both your emotions and that you have experienced economic and financial loss rather than fighting against them. Going with the river current is much easier than fighting to swim against the current.
- II. **Build and use a support system:** Talk to someone about it, like a friend one trusts. You do not have to have all the answers yourself. A counselor may be the right person. Lean on others for support. Find people you trust, like friends, family, and spiritual leaders. Gather your support team around you just as you would if you had lost a loved one. Talk - You do not have to talk about the specifics of the loss, just your feelings about it. It is a meaningful way to process your grief and not get stuck in it. Do not worry about the loss. Take your power back - By talking about your feelings related to the financial loss, you take power away from the "deep, dark secret" and shine the light of day on it. The best way to get hold of your emotions after a traumatic experience is by reaching out to your loved ones. Your family and friends can be of enormous help in overcoming this catastrophe. When you feel low,

do not withdraw from social contact; instead, fight this tendency and seek emotional support from your loved ones. Speaking to a professional counselor may help you get a better perspective on your financial loss.

- III. **Get a different perspective:** As humans, we often exaggerate the whole situation. There are going to be consequences from your financial loss. However, you need to know figure out how bad the situation is. Is it bad enough to impact your financial future? It may. However, is it the end of the world? Definitely, not! You can re-hash the problem repeatedly, keep beating up on yourself or others or consciously choose to replace unhelpful thoughts with a positive slant. Replace "I am hopeless" with "I am resourceful. I can get through this." Replace "I am a failure" with "I am capable and successful; I have a track record to prove this." It is easy to get stuck re-hashing the problem repeatedly, trying to "fix it." However, your focus gets very narrow, and The Problem becomes the only thing in your life. Let go of it. Widen your focus and see what else is in your life. Remember that you have made it through past challenges. When you are faced with a loss, it can seem like the worst thing that has ever happened to you.
- IV. Moreover, it might be. However, remember that you have experienced many difficulties, and you have made your way through them. You have to work on it; it does not happen magically. However, take heart from the fact that you have overcome challenges before. Stay in the moment. It is hard to do but a natural relief when you can. Rather than ruminating about past events or fretting about the future, try to stay with what is happening. Come up with the perspective-changer that reminds you to stay in the moment.
- V. **See what you can learn:** There is a lesson in everything. Maybe you did make some poor financial decisions. Learn from your mistakes. Maybe your value system was overly focused on material things. Learn the joys of simpler living. Maybe your kids did not understand what it meant to pull together as a family until now. Help them learn this lesson during these challenging times. Try to be an optimist and look at life through the right lens. Your failure can be a great teacher. However, it would

be best if you made specific analyses. Once you detach your emotions from the situation, please look at what and why it happened. Ask yourself these questions. What happened and why? Could you have avoided this pitfall? Answers to these questions are critical. Because it gives you reasons why you lost money and how you could have avoided it, go through each situation systematically and take measures to prevent it from happening again. If needed, consult a financial planner or advisor.

VI. Take Measures to Rebuild Your Finances:

- a. **Reduce your expenses till you get back on track financially** - If you want to bring your finances on track, you need first to fill the gap you left behind. There are two ways to fill the gap – you either increase your income or reduce your spending. While increasing your income may take some time, you can immediately start reducing your cash outflow. The best way to reduce your spending is to keep track of your expenses. When you monitor your spending, you can find areas where you can cut down.
- b. **Increase sources of income** - Now that you have started reducing your expenses, you will have a fair idea of how much money you will need to refill the gap left behind by your financial loss. If the amount is significant and if you think your current income is not enough, it is time to increase your sources of income. With access to the internet, there are ample opportunities to earn money on the side in this time and age.
- c. **Take a personal loan** - The loss of wealth may have temporarily crippled you. However, you cannot run away from your non-discretionary expenses like electricity bills, credit card bills, rent, and many others. If the magnitude of the financial loss is enormous and you cannot deal with your expenses, it is okay to consider a short-term personal loan to make your payments. However, ensure that you borrow only what you require and what you will be able to repay every month comfortably.

- VII. **Find the gifts:** The Financial loss one might experience may be what one needs to learn to thrive in new opportunities opening before them. Getting one bounce back after a financial loss may not mean getting one's money, or assets replaced but learning to survive and thrive in the most challenging times. See financial loss as an opportunity! It could be an opportunity to assess where you went wrong and learn from the experience. Take the right actions to bounce back financially and mentally. A crisis can often bring out unexpected gifts in our lives. People often find they have more courage than they believe possible. They find strength they never knew existed. They see support and friendship that sometimes comes from sources they least expected. Even though it is hard, they bounce back and find they can re-group and reinvent themselves or their business. They see new opportunities that they would not otherwise have considered. They learn they can survive even the darkest moments of their life.

4.0 Conclusion

We are accustomed to thinking of grief as something that occurs after a loved one dies. The problem with this is that we tend not to acknowledge our feelings as grief when we lose something other than a loved one. So, can one grieve over losses brought on us by the economy? Absolutely. Nevertheless, there are ways to develop resiliency and bounce back and thrive even in these challenging times. We can find a lesson in all of life's crises, even those which turn our world upside down. You can learn from your mistakes. When finances are strained, you can learn the joys of simpler living. Families can learn to pull together and help each other.

Remember the lessons from past challenges which you have faced. You already know there is no magic wand that will fix things for you, but now is the time to employ your business skills of problem-solving, planning, creative thinking, brainstorming, and networking. Start somewhere and take heart from knowing you have overcome challenges before.

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