

Reclaim your financial footing after the shutdown

Now that the government has reopened, you may be among the million-plus people who will be watching for their back pay. When it comes, after the tense, long and frugal weeks, it may feel like a windfall. But of course, it is not. It's simply catching back up, so you'll want to use your money wisely and intentionally.

You may have past-due bills, new debt or dwindling savings to right-size — and that's your priority. But feel free to also treat yourself, within reason, for making it through these trying times. Order in an extra-large pizza with everything on it, take the family to a movie or host an evening with the snacks, drinks and desserts you've been missing.

And then get down to the business of catching yourself back up.

Manage your debt: You, like many others, may have had to dip into savings, borrow more or increase credit card debt more than you'd like. If the debt comes with interest charges, try to pay it off as quickly as possible. Until you've replenished the savings or paid off the debt, consider keeping expenses low for a while longer. That might mean postponing a major purchase like a car, major appliances, vacation or home renovation.

If you're carrying high-interest debt, try rolling those balances onto a lower-interest credit card. Some cards offer 0% refinancing for up to 12 months if you qualify. You might also explore part-time evening or weekend work to help rebuild your financial cushion faster.

Build your emergency fund: If you don't have an emergency fund, now is a good time to start. And if you already

have one, ensure it is sufficient if another financial crisis hits. For most people, three to six months of total expenses is appropriate, though if you have greater risks and want more confidence, you may choose to save more.

Your emergency savings should be easy to access but also earning interest while it waits — so look for an interest-bearing savings account. You can set up small, consistent payments to the account and consider adding to it with any federal or state tax refunds you receive.

Look ahead: Your no-paycheck experience may have uncovered some valuable habits. Maybe you realized you can skip the daily gourmet coffee, discovered that generic brands work just as well or became more mindful about budgeting. Consider carrying those lessons forward to strengthen your financial life long-term.

Your credit score is also important as you look ahead. Should you need a loan for a future financial setback, a higher score may make loan approvals easier and faster. Higher scores can also unlock credit cards with cash back and lower interest rates, including those temporary 0% rates. It may also reduce rates on mortgages and auto loans.

Your back pay is a chance to reset not just your finances but your mindset. With thoughtful planning and a few smart moves, you can turn a difficult period into a foundation for greater financial resilience.

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