



Recovery Planning During a Financial Crisis

10 Basic, yet Essential Steps to Put the Whole Picture in Front of You

By Randall J. Richard

Of the many challenges people face in the course of a lifetime, two – health and financial well-being – have the potential to cause the most stress. The recent pandemic crisis has brought both of those stressors to the fore, as evolving public health challenges play havoc with the U.S. economy, impacting financial conditions at every income level. This uncertainty causes a great deal of stress on individuals, families, and businesses alike.

When sorting through the news of the day, it's easy to lose focus on fundamentals. But when times are turbulent, it's even more important to get back to the basics of sound financial planning. As experienced financial planners, we're here to keep your whole picture in focus – providing the clear, thoughtful, expert guidance and analysis necessary to keep your financial goals and aspirations on track.



Given the uncertainties of today's marketplace, many clients are asking what they can do – today - to get their financial house in order. We've responded by assembling a series of proven steps – we think of it as a “financial survival kit” – to guide your decision-making and help get your financial household back on track.

While this shouldn't be viewed as a comprehensive planning approach that considers all aspects of your financial lives, it offers some practical ideas to keep you focused on the future you hope to build for yourself, your family, and/or your business.

1. Find a space to clear your mind and focus.

Reduce stress and anxiety by taking a walk or run, playing a game, watching a funny movie, or listening to your favorite music. Limit your focus on the news, the market, and social media. There is plenty of time for that later. View your personal financial matters through the lens of a close friend or family member to gain an objective perspective. Taking a step back can provide important clarity – and help to keep emotions in check.

2. Make a list of your monthly expenses. All of them.

Don't worry about the amounts, just write down what they are and move on. When finished, review your list, think about each expense item, and mark as a Need or a Want. Tally the “needs” and record the total at the bottom of your worksheet. Do the same for the “wants.” And if there are any one-time expenses, divide them by 12 and use the resulting figure in your calculations.

3. Identify your monthly income sources.

This includes your paycheck, unemployment check, tax refund, interest income, rental income, business income, and any other sources you may have. Divide any one-time income sources by 12, and use the resulting figure when calculating total monthly income. Add all income sources together and record the monthly total at the bottom of your worksheet.

4. Create a conservative list of your personal assets.

This includes your primary residence, investment accounts, retirement accounts, properties, art and collectibles, bank accounts, cash value within insurance policies, ownership interests in business(es) and any other assets you may own. Total your assets at the bottom of your worksheet.



5. Create a list of all your debts.

Indicate what the funds were used for, lender information, interest rate, and term.

6. List your most important life goals.

Take your dreams seriously and write them down! What do you want to accomplish over the next 5, 10, 20 years of your life? Next to each, describe the joy it will bring to you upon achieving that goal. Be detailed about how this will potentially enhance your life and happiness.

From there, earmark each asset to a specific life goal. For example, if one of your goals is to retire by age 65, you will likely earmark your 401(k) or other retirement accounts to that goal. What's the point of owning an asset if it does not bring you joy?

7. Take a moment to reflect, clear your mind again, and focus.

Come back with a fresh mind again - repeat step 1.

8. Compare your monthly income vs. expenses.

Do you have more money going out than coming in? If there's a shortfall, which monthly expenses labeled as "Want" are you able to cut back on?

If there's an excess, what ways can you optimize your savings that align with your goals?

Work towards having 3-6 months' worth of "Need" expenses in emergency savings.

9. Ask an Expert – knowledge is power.

Identify all your free resources including professional associations and consult with new ones for additional guidance.

Engage your banker and other lenders about all the options they offer during the critical period before you are late on payments and offer to work with them to stay current.

Ask all of your advisors for ways to decrease expenses, increase income, increase return potential, minimize further loss. Never underestimate the power of the human mind and what more insight could uncover that may have been overlooked.



Consider fresh dates for all of your life goals but do not remove them unless you truly have changed your interests or perspective on them.

Finally, think about all the obstacles that are getting in your way of progress and identify anyone who can help you to get over that obstacle and onto to your better future.

10. Celebrate that you are taking ACTION and making progress to improve your financial situation.

Financial wellbeing is a continuous process that requires ongoing commitment – and a clear sense of your whole financial picture. With the steps you’ve taken above, you’re well on the way to seeing your whole picture. And while we’re navigating unprecedented times, our team of experts has endured crisis before – and thrived.

Whether you are furloughed, declared essential personnel, or working remotely for the first time, it does not mean that you should stop working on your financial security and your better future.

Give yourself the plan for the basics and add in a few contingencies to best prepare for the unknown. Keep learning, growing and achieving. And as always, rest assured that we’re standing by with the advice and guidance you need to chart the course toward your financial goals.

ABOUT RICHARD BROTHERS FINANCIAL ADVISORS

For over 20 years, Richard Brothers has provided clients with comprehensive financial planning solutions and tailored investment advice with expertise in wealth management including retirement security, estate protection, business transition, education funding and corporate solutions. The company focuses on the “whole picture” approach when helping clients realize their lifetime goals. Headquartered in South Portland, Maine, Richard Brothers Financial Advisors provides goal-based solutions to individuals, families—as well as businesses, nationwide.

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