

## **A Coronavirus Checklist: Tips for Your Mental and Financial Health**

Submitted by Lisa Brown on 03/16/2020 - 12:39



As we all watch the latest news about the coronavirus, it's easy to be scared about our physical and financial health. Some people may not leave their homes or allow children and grandchildren to play with others. Others, worried about a recession or financial meltdown, may be making major changes to their finances or investment accounts.

It's anticipated there will be more bad news in the coming weeks as the number of people who have contracted the disease increases. There are things we can not control, but as my father always taught me, focus on the things you can control. And for many, we can control our emotions and our behaviors. We can take actions that will keep us calm and make sure our financial picture remains stable.

I've been passing along the following advice to my clients and others worried about the impact of the coronavirus:

**Now Isn't the time to make major changes to your financial or investment strategy.** At my company, we design financial plans for clients to meet their long-term objectives, while also providing them with cashflow strategies to meet near term expenses.

Having a financial plan provides a foundation for making key decisions about your money. And you can avoid irrational decisions during times of stress if you have a plan to refer back to. I've been telling my clients "we will stick to the plan" when they've asked me important questions recently such as "should I put money into my investment account from my bonus?" or "can I still retire next year?" and "am I OK to proceed with buying this new house?" We run probability analyses to factor in good and bad economic scenarios in our clients' financial plans, which gives us confidence to answer these potentially life changing questions.

If you don't have a plan, now may be the time to determine your financial goals, such as saving for retirement, paying for college for a child or grandchild or buying a second home. Once you know your goals, you can determine how to budget your cash and savings, and how to invest, in order to achieve those goals. If needed, a financial advisor can develop a financial and investment plan to help protect and grow your money, track your progress over time, and be a sounding board when big money decisions or concerns arise.

**Reassess your cash position.** Now is a good time to make sure you have a reasonable amount cash in your savings account. A good rule of thumb is to maintain three to six months of living expenses in cash, or one to three years of expenses for those who are retired. While the coronavirus will eventually pass, there is the possibility it will cause an economic recession. If that happens, companies may reduce their workforces and some may need cash to weather the financial storm. Also, if the stock market experiences further steep declines in the near term, retirees may want to temporarily pause taking portfolio withdrawals and instead live out of their cash savings.

**For those working, invest more money in a 401(k) retirement account.** Remember, you want to buy stocks at a low price and sell after they've gone up in value – buy low and sell high. With stock prices for many companies down more than 20 percent from their highs about a month ago, this could be a great opportunity to contribute more money to a retirement plan. If you are comfortable that you have enough cash savings to ride out any hardships brought on by the coronavirus, consider increasing your contributions now. And, once things settle down, I encourage you to stick with your higher contributions. Get used to living on less now, so you can save more for the future.

**Take steps to protect your mental health.** All of us are searching for answers – how long will the coronavirus last and will it come to my school, business and neighborhood. We all want to be informed, but it's best to step away from the television or the smartphone for a few hours at a time.

While most of us are sticking near home, talk a walk every day and leave your phone at home. The exercise is a healthy way to stay active. Just as important, keeping the phone on the kitchen table during a walk can help clear your head and avoid the constant "pop-ups" on your phone that can cause extra anxiety.

Protecting our physical health is paramount, but taking steps to protect our mental health will enable all of us get through this extraordinary period. I'm doing my part, too -- I'm watching five minutes of television news in the morning and five minutes in the evening and only

checking my phone periodically.

For those who have any concerns about their finances, or feel it's time to develop a financial plan, please feel free to reach out to me. I can be reached at [Lisa.Brown@Brightworth.com](mailto:Lisa.Brown@Brightworth.com) [1].

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