

BUSINESS INSIDER

7 THINGS YOU CAN DO TO BUILD WEALTH AND BOOST YOUR SAVINGS WHILE YOU'RE STUCK AT HOME



By: Cheryl Lock - March 24, 2020

There's nothing pleasant about a worldwide pandemic that's forcing millions of people to perform social distancing by staying away from other people. However, if you're looking for a silver lining — because we could all use a little silver lining right now — it might be the extra time we now have to get things done at home.

As the markets continue to be extra volatile, a lot of people have money on their minds. There's not much we can do about the state of the overall economy, but there are some small-scale things you can do right now, from the comfort of your own home, to help you feel more in control of your finances.

The following tasks take 30 minutes or less, and if you can do one a day, in a week you might feel just a little bit better about the state of your finances. And right now, every small win is worth celebrating.

1. Review your budget

Every solid financial plan starts with a good budget, and now is a great time to go over yours.

"This doesn't mean that you need to create an Excel masterpiece," said Jamie Ebersole, Certified Financial Planner and Chartered Financial Analyst with Ebersole Financial, LLC. "Rather, you should review your spending habits and try to determine which areas of your spending are relatively fixed — such as monthly rent and insurance coverage — and those that are discretionary, like your lattes, subscriptions and eating out."

Since you'll likely be spending a lot of time at home this month, most of your convenience purchases will probably trail off.

"By comparing last month's expenditures to this month, you will see where you are spending your money and you will be better positioned to make changes to your spending habits in order to prioritize savings and the services that you highly value," Ebersole added.

2. Get specific about your future

With a little extra time on your hands, Jeff Klauenberg, Certified Financial Planner and founder of Klauenberg Retirement Solutions, suggests putting some thought into your goals.

"Write down all the things that you want to do in your future — don't be restrictive," he said. "This can be a game with yourself or a significant other. Break it down into five-year segments. What do you want to do, where do you want to go, and what do you want to accomplish during each five-year segment?"

If you have career goals that include starting a business, making more money, or changing your job, you might need to learn some new skills to start down that path.

"While we are confined to our home offices, we have a great opportunity to focus on learning something new and developing plans for the next steps in life," said Ebersole. If you've been meaning to sign up for an online class, now might be a good time to do so.

3. Set up a 529 college-savings plan for your kid

If you've been considering a college savings plan for your child, setting one up online is quick and easy.

Jarrod Winkcomplex, Certified Financial Planner and senior adviser with Gap Financial, suggests reviewing the 529 plan options where you live, since they often provide tax benefits while you save for your child's college education. Just remember to keep your own future financial goals in mind, as well.

"Saving for your kid's education is very important for most families," said Winkcomplex. "However, it should be a secondary priority to your own retirement. There are several alternatives for paying for college, like student loans, scholarships, work-study programs. No such alternatives exist for retirement."

4. Review your beneficiary information

Winkcomplex suggests making a list of your financial accounts that include beneficiary designations — like your IRA, 401(k), or life insurance — and making any necessary beneficiary information adjustments.

"Beneficiary designations determine who will receive your account upon your passing," said Winkcomplex. "If beneficiary designations are left blank or not updated, your wishes could be ignored and as-

sets could go to an ex-spouse, or state law could become applicable and decide how to split your accounts."

5. Set up a new savings account

If it was a struggle to cover holiday spending last year, or you've been dreaming of a vacation but weren't sure how to make it happen, now is the perfect time to set up a separate online high-yield savings account for your specific goal.

If you want to go one step further, you can also set up a direct deposit so that you put a little bit away from each paycheck towards that objective.

Just remember, "as enjoyable as travel and holiday gifts can be, they should take a backseat to an emergency fund," said Winkcomplex. "Having three to six months of expenses set aside in a money market or high-yield savings account can provide peace of mind and can be a lifesaver in times of temporary job loss or medical costs."

6. Do some bookkeeping

Cécile Hult, partner and private wealth adviser with Argent Bridget Advisors, suggests using this time to do some overall financial bookkeeping.

That might include reviewing your insurance policies to see if you still have sufficient coverage for your needs, or working on your estate plan (are your medical directives all updated?).

If your kids are old enough, this could even be a good opportunity to teach them how to balance a checkbook by showing them how you do yours.

7. Evaluate your investment portfolios

If you have money in the market that's earmarked for retirement, you might be a little worried about how current events will impact your goals.

Now is a good time to have a call with your financial planner to determine if your portfolio is still meeting your long-term goals, or if it needs to be updated based on current events.

Klauenberg suggests asking how your portfolio is holding up in the current crisis, and discussing whether there need to be any adjustments, or if it's best to stay the course.

For over thirty years, Jeff Klauenberg, CFP®, has focused on finding solutions to retirement problems. Klauenberg Retirement Solutions has continually aimed to be on the cutting edge of financial and retirement planning with comprehensive knowledge to develop solutions for their clients' retirement and estate planning needs.

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