



A Registered Financial Advisor

**Rosenberg  
Financial  
Group,  
Inc.**

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to support your  
financial goals.

# SPECIAL REPORT

## What We Learned from the 2020 Pandemic...and How to Prepare for a Disaster

In 2020 the United States and the rest of the world were grappling with the effects of the Coronavirus Pandemic. Here's what we learned:

- Many business owners were not prepared for their business to be closed and to lose income, and the government programs weren't able help many businesses in need.
- Individuals and families were not financially prepared to become unemployed, even for a short period of time.
- Social distancing requirements caused high unemployment.
- Parents were suddenly working from home while trying to help their children with lesson plans, and many did not have adequate internet access.
- People started hoarding toilet paper, paper towels, bottled water, hand sanitizer and over-the-counter medicines, as well as food.
- The virus caused a severe shock to the stock market. Volatility skyrocketed around the world and markets reacted, dropping 30% or more in all.
- There was no definitive, reliable source for accurate information about the virus cases locally, or globally.

So, have we ever experienced anything like this before?

Yes, we have, but the response this time was very different. There have been 20 pandemics that we know of. One of the largest and most recent pandemics was the Swine Flu between 2009-2010, and it killed an estimated 200,000 people worldwide, or did it? Based on the difficulty securing accurate numbers from the current virus, I would guess that the actual Swine Flu number could be much higher than what was reported.

**So how do you prepare for the next major economic disruption?**

That is what this report will explain in detail. We want to help you create a plan for yourself and the ones you love.

**Let's get started!**

[www.RetireRelax.com](http://www.RetireRelax.com)





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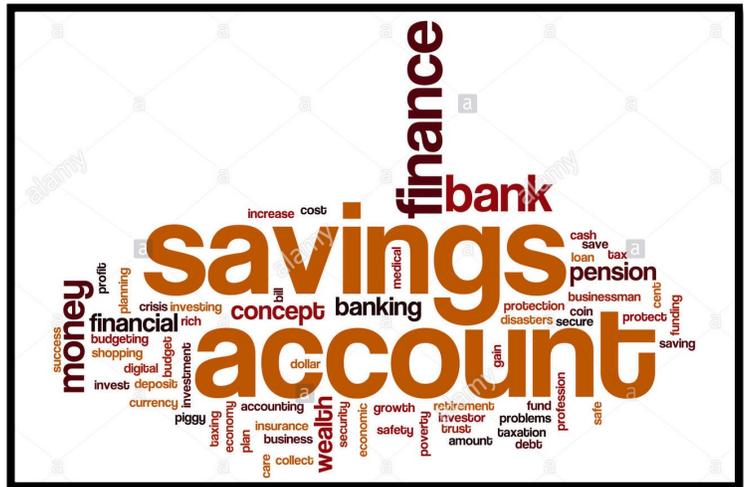
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## Bring back the old-fashioned bank account:

Savings accounts are not as exciting as investing in the stock market, but that's the point. They are also insured (up to \$250,000) by the FDIC. Unfortunately, the advent of credit cards in the 60's and the growth of their use has slowly reversed our belief in the importance of savings accounts. Why have money idly sitting in the bank when you can just use a credit card to pay for emergencies? Because relying solely on credit cards for emergencies and monthly expenses could lead to financial ruin. Therefore, an emergency fund in a savings account is imperative.

So, how much should you save? We suggest saving at least three months of living

expenses. How do you determine a month of living expenses? By tracking your spending (on paper, online or through an app) for a month, you will be able to figure out your three-month savings goal. Once you can build up this cushion in the bank, you will have tremendous peace of mind.



## Pay Off Debt:

I know, this sounds about as exciting as putting money in the bank, but it can pay you back twofold. Go to [www.bankrate.com](http://www.bankrate.com) and use their calculator to see how adding an extra monthly payment can help you pay off debt faster, and save you a lot of money. Start with the smallest debt, and when that's paid off, throw that money at the next largest debt, and so forth. An additional benefit of doing this is that in the long term, having less debt will also lower your monthly expenses. This also lowers the amount you need to put into an emergency saving account. In other words, it gives you a lot more flexibility in stressful times.

What if your budget is so tight that you can't make extra payments? You can either increase income or decrease expenses. There is no other way (with the exception of inheriting money or filing bankruptcy) to get this done. So, if this is your situation, you need to make some hard decisions. Review your monthly expenses and see what you can cut back on to free up cash to pay toward the debt, or, pick up a part-time job to increase your income. This is critical to your future financial well-being.





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So, what if increasing income and decreasing debt is not an option for you? Here are a few suggestions:

- Ask your lenders for a payment holiday or a reduced interest rate.
- Re-negotiate the cost of cable, your cell phone, and internet service, or cut off unnecessary services.
- Look into a consolidation loan.
- Trade your vehicle down to a less expensive model.

If none of these actions are possible, then you need to get help. Greenpath is a nationwide credit counseling non-profit, and they offer free credit counseling, either in person or by phone. If you qualify for their Debt Management Plan, they can negotiate reduced payments and interest rates, so you can get out of debt faster. You can learn more about Greenpath at their website [www.Greenpath.com](http://www.Greenpath.com), or call them at 800-550-1961. There is a downside to paying through a non-profit Credit Counseling program, as it can impact your credit negatively. Please ask about how this impacts your credit score and credit report. Only use a reputable non-profit like Greenpath for this type of service.

### Should You Become a Prepper?

There are numerous “Prepper” websites that tout stocking up on bottled water and a year’s worth of food, but if we look at our most recent situation, that was not necessary. However, the virus is a reminder to be prepared in the event that you must “shelter in place” for a couple of weeks, or a month.

- Peanut butter (consider powdered peanut butter)
- Whole wheat crackers (vacuum sealing will prolong freshness)
- Nuts and trail mix
- Cereal
- Power bars and granola bars
- Dried fruit
- Canned meat such as tuna, salmon, chicken and turkey
- Canned vegetables such as beans, carrots and peas
- Canned soups and chili
- Sports drinks (avoid ones laden with sugar and artificial color)
- Sugar, salt and pepper
- Powdered milk

Just Google “how to be a Prepper” and you’ll find all sorts of ideas. You’ll also want to have a system for rotating food based on its shelf life.



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For a detailed discussion on passing property, read "Who Really Gets My Money When I Die?" on the Special Reports section of our website.



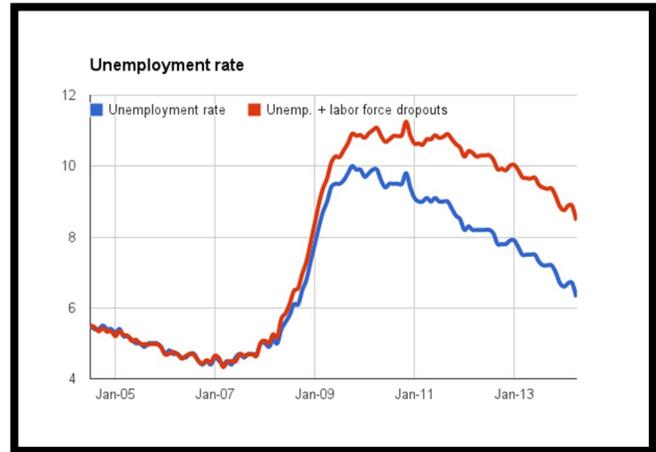
## Going Forward:

What else can you do, going forward, to protect yourself financially?

### 1. If you are an employee, review your career options.

Many people have lost their jobs during the outbreak. Some temporarily, and some permanently. Until now, most people probably felt pretty confident that they were safe in their daily work.

Take a hard look at your current employment situation and consider how safe you really are in the long run. During this crisis, over 60 percent more workers started working from home. Are you in a job where teleworking is an option? Are you an essential worker? This employment/unemployment experience has given many people a shock. Use the experience for your future good. If you are looking for a career change, contact your local community college and talk to their career counselor to learn about high-demand careers.



**In Georgia, many of these programs are now free.**

### 2. Are you self-employed or a small business owner?



If you own your own business, how "pandemic safe" is it? Were you able to share records with employees so they could work from home? Were you able to back up records that you'll need in the future? Do you believe you had enough security in place to keep employees and the business safe from a cyberattack? If you experienced reduced cash flow, were you able to get any emergency loan assistance through your bank from the special disaster lending

programs? If not, do you need to move your business banking to a local, community bank that will be there for you in a time of need? Do you need to structure your business differently, or diversity what you offer, or change how you deliver services? Again, use this experience to re-imagine your business future.

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Listen to "Your Money" with Steve Rosenberg, Sherri Goss, and Randy Goss live every Saturday morning at 9:00 on WMAC, AM940.

### 3. Review your financial opportunities:

Are you paying more than 3.5% on a mortgage, and want to stay in your current home? Find out what it would cost to re-finance your house and if it makes sense, get it done. Are you driving an expensive car that now makes no sense to you? Find out the blue book value and evaluate whether you should trade down. Do you work from home more now and drive fewer miles? Contact your insurance company and let them know so they can lower your premium. Again, reducing monthly payments reduces the amount of money you would need in a crisis, and the amount of emergency savings that you'll want to set aside. Think about every angle of your financial life and consider the changes that you can make for a more secure future.



### Investment Advice:

You are likely participating in your company's retirement plan and wonder how you could have invested differently during the recent market downturn. This is tough, because as the virus rolled through the world it upended businesses of all kinds. First were the cancelled flights, cruises and vacations, which impacted the travel industry. This immediately caused the price of oil to drop. Next came the "work from home" or "shelter in place" orders which caused online ordering to spike, and traditional retail stores to close. Then, the community colleges, universities, public schools, day care centers, bars and restaurants were asked to close. People were laid off faster than we have ever experienced in America, and millions of people applied for unemployment benefits. My point is that every sector of the economy was hit, and it was a difficult time to make portfolio changes or even guess what would have been hit hardest.



However, **there is still a major investment lesson that we can learn from this.** The younger you are, the less you probably worried about your investment account during these times. You probably appreciated the opportunity to invest when prices were low. But for those who are closer to retirement, it was a much more unnerving experience. People were probably checking their investment accounts daily and losing some sleep. This is why we recommend that if you are close to retirement, you need to understand how losses can hurt you more than gains can help you.

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## Lets look at an example





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Sherri appears as  
WMAZ's Financial  
Expert every  
Wednesday on the  
5:00 edition of  
*Eyewitness News*.

After her  
appearance, Sherri  
takes personal  
finance questions  
by phone  
off-the-air



Let's assume you had \$100,000 invested when the virus hit our economy, causing a market drop of 30% in March of 2020. You now have to make a gain of 43% to get back to even.

To Make Up for a Loss of:	You Must Make a Return of:
60%	150%
50%	100%
40%	67%
30%	43%
20%	25%
10%	11%

During the recession of 2008, the market dropped 50% in many peoples portfolios. They had to wait for 100% gain to get back to even. We saw a lot of people in 2008 and 2009 that had experienced this, and they were just years from retiring. Many had to delay retirement to allow their accounts to recover because their retirement plans were based on taking a percent of their account as a monthly distribution.

So, the closer you get to retirement, if you are depending on taking distributions from your accounts, the more conservative you need to be in your investing.

In a severe market drop, people tend to panic and sell at the bottom. They end up suffering large losses right when the correction might be coming to an end. Additionally, when people experience large losses, they sometimes turn around and take on even more risk. If the market goes up, that can work in their favor. If the market goes down further, they will get hurt again. Over time, this is referred to as negative compounding.

We recommend that you have a system for reducing and increasing your exposure to the market. There are times when you will want to have more invested in the market, and times when you will want to have less invested. In reality, it's difficult for people to decide when to be in and out of the market, because most people get emotional about their money. They get excited when the market is going up; they get scared when it is going down.

The problem is knowing when to take action. You need an investment system. Here's what we believe you need to do, especially if you are a retiree or soon to be retiree:

- Realize that regardless of what you've heard, you shouldn't be fully invested at all times.
- Understand the economic trends so you can see if you have a tailwind or a headwind.
- Have a system that potentially reduces your losses.
- Look to invest in the stronger segments of the economy.
- Be aware of anyone making outlandish promises.
- If you don't want to do this yourself, find a fee-based manager who has a system that you feel comfortable with.



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If your in the market  
for a Financial  
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We have office in  
Macon and Warner  
Robins for your  
convenience.



### What Does Rosenberg Financial Group, Inc. Do?

We use what's called "stop losses" in our management of the portfolios. Without going into any great detail, if a position drops a certain percentage, we sell it. Of course, it's always possible that it will turn around and go right back up, but that's ok, because "losses hurt you more than gains help you." If at all possible we don't want to turn profit into a loss, or a small loss into a big loss. So, we monitor all the positions and determine when we need to step aside and get out.



The idea is that if you limit your losses, you will still have cash when things eventually turn around. If you suffer huge losses, you won't have money to invest. We generally look at "down from high" stops. We have a metric that shows what we initially paid for each position and how much it is down from its highest point since investing. We monitor that, and then if it drops a certain percentage, we can sell it.

We specialize in working with individuals who are either retired or fairly close to retirement. Once you retire, you've crossed from certainty to uncertainty. You have gone from being an accumulator of capital to a spender of capital. You've crossed the river, and you don't want to go back to work again. You don't want to face large losses if at all possible.

All of a sudden, you are faced with a number of unknowns, including:

- How long will I live?
- How will my health be?
- When should I take Social Security?
- Is my money going to last?
- Will I need long-term care?

### Conclusion

We believe that most investors want a specialist. They want to call and talk to a person that understands them and can provide for their needs.

At Rosenberg Financial Group, Inc., we have created the **RetireRelax Solution™** that assists us in managing our clients' money. This disciplined investment approach for retirees and pre-retirees includes an exit strategy when we feel that risk is high. Keeping an eye on the investment landscape for our clients is something we do each and every day.

To learn more about us, just download the report: "**What Do I Need To Know About Rosenberg Financial Group, Inc.?**" from our website.

To learn about complementary consultations, just download the report: "**What Can You Expect When You Come In For Your Complementary Consultation?**" from our website, [www.retirerelaxor](http://www.retirerelaxor) call us at 478-922-8100.



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- Can I Afford to Retire?
- Maximizing My Social Security Benefits
- What Do I Need to Do to Plan For My Secure Retirement?
- Who Will Really Get My Money When I Die?
- Your Stock Market Survival Guide
- Avoiding Internet Scams and Identity Theft
- Should I Keep My Money Where It Is or Roll It Into An IRA?
- What to Do When Your Spouse Dies

If you would rather get paper reports, just call our office at **478-922-8100** and leave a message as to which report(s) you are interested in. We'll mail them to you at no cost or obligation.



### **Office Locations**

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4875 Riverside Drive, Suite 201 · Macon, GA 31210  
(478) 741-4457 · (800) 777-0867

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Sherri also appears as WMAZ's Financial Expert every Wednesday afternoon on the 5:00 edition of *Eyewitness News*. After her appearance, Sherri remains at the station until 6:00 and takes personal questions by phone.

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