

3 Steps to Financial Resilience

Gain More Financial Resilience While the Going is Good

Financial Resilience _omtimesWith the economy moving slowly and steadily upwards right now, financial expert Donna Skeels Cygan says it's a good time to take action to protect yourself against the inevitable economic downturn.

“People were hurt by the financial crisis in 2008 and it can happen again,” she said. “The best thing you can do is to be proactive and prepare your finances before adversity strikes.”

Ms. Skeels Cygan is the author of *The Joy of Financial Security: The art and science of becoming happier, managing your money wisely, and creating a secure financial future.*

“Another financial crisis will occur – it is not a matter of if. It is a matter of when.”

Here are several of her best steps she recommends to people who want to maximize how they protect their finances.

3 Steps to Financial Resilience

1. Create a net worth statement.

Review your financial status right now. Take a hard look at your income and assets and subtract your debts and liabilities. What is your exact condition? Are you moving up or down? One way or the other, this knowledge will help motivate you to take the proper next action.

2. Increase how much you save now.

If you're not saving, start at 1 or 2% of your salary and gradually increase that amount until you get it to 15-20%.

3. Analyze your current investments and ask yourself the following questions:

- a. Are they appropriate for you? Yes or no?
- b. Do they match your tolerance for loss? Yes or no?
- c. Are you using a balanced asset allocation? Yes or no?
- d. Are your investments diversified? Yes or no?

e. Are the expenses within your investments low enough? Yes or no?

f. Are your investments performing well? Yes or no?

If you answer ‘Yes’, then you are probably in good shape for that question. You might be just fine. You may still want to make improvements.

If you answered ‘No’ to one or more of the questions, then it is high time to look to see how you can improve and protect your investments. It might be time to “weed your garden” and get rid of the poor investments.

You can be happier if you save more, spend less, and take action to reduce your exposure to economic downturns. Once you can make that decision, you can expand your horizons. Just go for it – learn more, ask questions, get answers, make changes, and gain more confidence.

One major action you can take is to focus on creating memories and stop focusing on things.

Make a list of new experiences you would like to have and share with your family and friends.

- Commit to stop trying to “keep up with the Joneses”
- Be a good financial role model to your kids and grandkids. Show them how you are planning and thinking about what and where and save and spend your money
- Simplify your life and your finances Focus on friends and family, on gratitude, and on creativity

“Control the controllables,” she says. “Face it. We can’t control the government, we can’t control the economy, we can’t control what news stories the media focuses on, but you can control your own mind and what you focus on.

Focus on what you CAN control.”

“You can’t buy happiness, but having money when you need it can certainly make you happier.”

About the Author:

Donna Skeels Cygan _omtimes Donna Skeels Cygan has been recognized as one of the top financial advisors in the U.S., and has been quoted in many publications, including The Wall Street Journal, the New York Times, Forbes, Kiplingers, Newsweek, and Investment News. She is the president of Sage Future Financial, LLC in Albuquerque, NM, and serves clients across the U.S.

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THE JOY OF FINANCIAL SECURITY

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For more information visit www.TheJoyofFinancialSecurity.com

The Joy of Financial Security explains how to determine human capital (ability to earn money); track net worth; monitor savings and spending; and the basics of estate planning.

This engaging, easy-to-use book contains numerous tools that make it easy for people to understand where they are, and how to move to where they want to be.

Some of the memorable and distinctive strategies include: Control the Controllables, Weeding Your Garden, Good Debt vs Bad Debt, Track your Net Worth, and have a Roth IRA.

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