



## Stabilize Your Finances for an In-Flux Future

Last year was unique and challenging in many ways. At one point or another, many of us weathered a storm of questions around money and the future of our money. Some of us may have come to the realization that perhaps we're not as financially stable as we thought we were or should be—crisis or not. With such uncertainty and a financial forecast that's still cloudy even as we enter a new year, it's important to have an umbrella on hand to shelter your finances and your future from being left out in the rain. Here are some tips from a few financial experts.

## Reevaluate your situation

The first thing to do is assess where your finances presently stand. As the pandemic evolved, perhaps you went from two incomes down to one, there was a reduction in hours, or someone now works from home full-time and doesn't ever plan to go back into an office. Using these facts, revisit your monthly budget and adjust for things like an increase in internet and cable bills, a reduction in wardrobe or dry-cleaning costs, and modified commute expenses. Whether changes like these are suddenly triggered by an unexpected event or not, it's best to regularly reevaluate your daily and monthly budget to ensure it reflects your current situation at all times.

## Check in on your priorities

Perhaps the biggest change of all is what we once deemed important may no longer be the case, and what we may not have considered a priority is now more important than ever. Take time to figure out what is really important to you in order to financially plan for it. If there's a large purchase you need to make—like a car or an appliance—review your budget to see what you can afford to spend. Or, if you'd really like to plan for travel after being cooped up for the last few months, budget in other areas to start saving for it.



## Set up a financial plan

A financial plan is like a budget, but aims for a longer timeline of 10, 20, or 30 years down the road, as opposed to only the weeks or months ahead. Your financial plan should include things like purchasing a home, saving for retirement, and paying for college.

## Educate yourself

One of the best ways to ensure your future financial stability is to learn everything you can about saving up and spending money wisely. Get advice from experts by reading books, listening to podcasts, and attending webinars that appeal to your most important financial concerns and goals. If you have a Thrift Savings Plan (TSP) account, check out their website for a host of educational information.

## Shore up your emergency fund

Typically, it's best to have an emergency fund that will cover expenses for three to six months, but with so much financial market uncertainty due to unknowns about the pandemic, it's a better idea to build up a nine- to 12-month safety net if possible.

## Get your affairs in order

Regardless of a pandemic, it's never too early to prepare your estate for anything that might happen to you. Draw up a will—even if it's a simple one—to ensure your wishes are carried out the way you intend. Decide how your money and possessions will be passed down to your family members and appoint someone you trust to be executor to control what happens with your assets during the process. It's also important that you identify someone to make medical decisions on your behalf if you are incapacitated, as well as appoint someone to have power of attorney in order to make legal and financial decisions for you. Otherwise, a court will act on your behalf, which could hinder your survivors' access to your estate and investment and bank accounts.

## Consult with your Employee Assistance Program (EAP)

As part of your EAP benefit, you can speak with a financial expert to discuss your personal situation and make a plan for how best to move forward based on your individual needs. Call any time, day or night, to receive information and resources, and to schedule a financial consultation. Take advantage of this free employee benefit today to protect yourself, your family, and your financial future.



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The EAP is a voluntary and confidential employee benefit available to federal employees at no cost. Tips were adapted from MyMoney.gov, Money.com and TheBalance.com.

