

Show Notes: Financial Wisdom in Uncertain Times

1. What should I do regarding the Baby Steps during the crisis if I am still employed?

Baby Step 1: Save \$1,000 for your starter emergency fund. Keep saving up for the \$1000 and then keep saving beyond that!

Baby Step 2: Pay off all debt (Except the house) using the debt snowball. Pause on the debt snowball for now. Keep paying your minimum payments while building your emergency fund.

Baby Step 3: Save 3-6 months of expenses in a fully funded emergency fund. Keep saving to get where you need to be and once completed, keep saving for right now.

Baby Steps 4-7: Invest 15% in retirement, save for college, pay off your home early, build wealth and give. If you feel like you need more cushion beyond your emergency fund, consider pausing your current step and save more. Perhaps increase your 3-month emergency fund to 6 months.

Once the crisis has passed, you can take the money you've saved beyond your normal emergency fund and apply it toward whichever baby step you are on and you haven't lost anything.

2. Should I buy extra food just in case?

If you want to stock up a bit, so that you are not going to the store every 3 days then yes, buy a week at a time instead of just a few days. That will limit the number of times that you have to go out. Don't blow your budget on 3 months' worth of food! Try to buy food that you are going to eat anyway. If you buy extra make sure to buy things with a long shelf life that doesn't require refrigeration.

3. What should I do if I lose my job because of the Corona Virus?

Protect your 4 walls first! Make sure that you have food, clothing, shelter, and transportation. If you have enough savings to keep you going and keep up with your debts, then do that. If you don't have enough to cover your debt payments and your essentials, then don't pay toward the debt for right now. Just make sure that you are not behind on your mortgage while being current with Visa. Keep looking for a new job. There are many options available, so look around and get creative. Grocery stores are probably hiring for example.

4. What should I do with my 401k, IRA, retirement?

Don't touch it! Unless you plan on retiring in the next 6 months, then don't touch it. The market is going to recover. No one knows how long that will take, but it will happen. One day

last week was the largest single-day stock market gain in history. If you unplug now, then you'll lose that recovery. Leave it alone and wait.

5. What should I do with my government stimulus check?

After tithing, put it into your emergency fund, or into your budget if needed. Once the crisis has passed, you can inject it into your current baby step.

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