



'Stay at home' a good time to take stock of finances

Wild swings in the U.S. stock market marked the past weeks as the nation reeled from the effects of the global COVID-19 pandemic, oil price wars and trade disputes, causing havoc to Americans' finances.

In March alone, the Dow Jones Industrial Average had the five biggest daily gains and five biggest falls of its 135-year history as governments around the world responded to the outbreak, according to media reports.

Amid this market turmoil, it's understandable to feel uneasy about your current finances as well as your long-term and retirement savings. Prudential research shows most consumers aren't prepared for an unexpected financial hit. In fact, 54% of respondents in our recent survey on the impact of COVID-19 said they wouldn't be financially ready for an outbreak that limits their ability to work for a few weeks.

The federal stimulus package that was just signed into law gives a much-needed boost to individuals and the economy. But many people still face the dilemma of meeting immediate needs while trying to figure out what to do about long-term goals.

Should you change asset allocations in your retirement or investment accounts? If faced with a financial hardship, can you take an early withdrawal from your 401(k) or IRA, or tap into life insurance? If you're close to retirement or you just retired, you may be wondering about alternatives to preserve your savings.

In times like this, staying informed and seeking good counsel on financial matters is invaluable. The best solution to calming financial fears and creating a plan is to better understand the nature of the problem and the solutions available.

Perhaps now, while many of us are forced to spend more time at home, is a good time to take a close look at your finances. Get a good handle on your budget. Consider how much you're currently spending and saving. Understand your own personal money flow like you would a business. Learn the finances of "Me, Inc."

Whether we're in a crisis or not, improving your financial literacy is crucial to achieving your goals, both short-term and long-term. Understanding how financial systems work and your own finances can help you to use the tools at your disposal to create an efficient and realistic plan.

Our finances have a direct impact on every aspect of our lives, from the basics like food and shelter, to education and health care. How we handle them is critical to the quality of our lives. A [2019 Prudential study](#) found that 59% of workers who use financial wellness programs consider their overall mental health "good." But that drops to 55% for those who do not use financial wellness programs, adding to a growing body of literature suggesting that financial and physical health are often intertwined.

Sometimes it's difficult to take your emotions out of the equation and view your financial life objectively. That's where talking to someone can help.

So, who do you turn to for financial advice? There are a variety of options and resources available to us all if we just look around us. Tax professionals, financial professionals and accountants are certainly sources as are financial wellness programs offered through houses of worship, credit counseling services and others. Any of these can help you look more objectively at your situation and guide you to making the best decision based on goals, not on emotion, no matter how well-intentioned.

Speaking with someone can help you navigate common questions such as:

- How much should you set aside for an emergency fund?
- How long do periods of market volatility normally last?
- How can you build a long-term financial plan that prepares you well for the future?

No matter who you rely on for financial advice, your goal should be to create a solid foundation by creating a holistic financial plan able to withstand future disruptions.

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