

3 STEPS TO HANDLE Stock Market Volatility FOR SOLOPRENEURS

When navigating stock market volatility, those of us who are self-employed or freelancing face a special set of concerns. As solopreneurs, our income already fluctuates — sometimes drastically — and depending on where you stand with clients, contracts, and cash flow as the market fluctuates, you might be feeling especially anxious.

HERE ARE 3 STEPS:

STEP 1 – Reconnect with Your Investing PURPOSE

Ask yourself:

- What is the purpose of this money?
 - How long until I need this money for its intended purposes?
 - Under 3 years? ■ 3 – 5 years?
 - 5 years+? ■ 10 years+?

- What kind of risk am I taking? Am I losing sleep over this volatility? What is my investment mix?
 - How much of my assets in Equities? %
 - How much of my assets in Bonds? %
 - How much of my assets in Cash? %

STEP 2 – Revisit Your Financial PLAN

How does this investment fit into my overall plan?

- Cash/Emergency Savings?
 - How much do you have? Recommend a minimum of 3 months of living expenses for most. •
Advise 6 to 12 months for Solopreneurs.

- Cash Flow.
 - How much money goes in vs how much goes out of your account each month.
 - Can you improve?

- Debt Situation.
 - How long until your debts are paid off?
 - What interest rates are you paying?
 - Should you pay off sooner?
 - Will they be paid off by your goal – especially for retirement?



STEP 3 – Gain Some PERSPECTIVE

How does this affect your lifestyle, current, and future?

- Does this affect your life today?
 - If so, how and why? Explore.
 - If no, move on to the next step.

- Run a simple savings calculator. I use Bankrate: Simple Savings Calculator often. Just Google it. Plug in the following to project where you are going.
 - Current Assets + Monthly Contributions + # of Years Until Goal + Rate of Return (I use 6%) = Estimated Value of Investment
 - Turn Estimated Value of Investment into a stream of income if for retirement as follows:
 - Estimated Value of Assets x .05 = Estimated Annual Income from Investments before taxes
 - Add in estimated Social Security Income + Other Incomes such as Pensions, Rental Income, Part-Time Work, etc = Estimated Annual Income
 - Will that be enough to live on?
 - If yes – go back to work creating the freedom to build the life you want.
 - If no – play with the numbers to see what it would take to get you to where the answer is yes.

Now that you have LAID OUT YOUR PURPOSE, REVIEWED YOUR FINANCIAL PLAN, and GAINED PERSPECTIVE for how your current situation affects your future, take steps forward toward creating the freedom to build the life you want.

YOU CAN MAKE THE FIRST STEP BY:

- Funding your SEP IRA, Solo 401k, Profit Sharing, Kids 520 Plans.
- Turning on Financial TV and Social Media.
- Getting back to work.
- Going play with your kids.
- Going for a walk.
- Giving your spouse a hug.
- Remembering this will pass – it always does.

Remember, you're in charge, not the markets. Getting clear on your purpose, perspective, and taking action to proceed will help to ease your mind and keep you moving forward toward creating the freedom you desire.

