

16 Things You Can Do to Prepare for the Next Recession



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Why are people more afraid of flying than driving, even though [car wrecks are far more frequent](#)? As one academic [suggests](#), “in a car, at least I know when to brake. In a plane, I have no control.”

This might also explain why many investors want to hit the brakes if they fear a recession is on the way. We’ve got no control over when the next one may occur, or how markets will react when it does. Still, even though your best bet is to buckle in and ride out this sort of market turbulence, it’s hard to do absolutely nothing in response.

Rather than trying to react to market mood swings by switching up your investments, here are 16 actions you can take instead. Each is within your control, and any of them can add real value to your financial well-being. As the late, great financial economist [Peter L. Bernstein once said](#), “It’s not your wealth today, but it’s your future that you’re really managing.”

Preserve

1. **Reduce debt.** Pay off credit card balances and other high-interest loans.
2. **Cut unnecessary costs.** Cancel subscriptions or services you haven’t used in months (magazines, streaming services, club memberships, credit cards, etc.).
3. **Negotiate on the rest.** Manage insurance and other ongoing costs by seeking periodic competitive bids. Negotiate with vendors to reduce “fee creep.” Be a squeaky wheel!

Protect

4. **Freeze your credit.** Shut out identity thieves with a [freeze on your credit reports](#). It’s now free to freeze, and temporarily unfreeze your credit reports when needed.
5. **Freeze your kids’ credit.** Unfortunately, [kids are prime targets](#) for identity thieves. Create and lock down their Social Security Number and credit reports, before anyone else does. [Read more.](#)
6. **Keep an eye on things.** Order and review your free annual credit and Social Security reports.
7. **Establish a Trusted Contact Person (TCP).** Name [a TCP](#) as an extra line of defense for your investment accounts. If your account custodian feels you are being financially exploited, they then have a back-up person they can talk to about some of their concerns. [Read more.](#)

Prepare

8. **Establish or increase your retirement plan contributions.** The more you invest toward retirement (or similar goals), the better you can employ compound interest and market returns to accelerate your efforts – especially if your employer matches your contributions.



9. **Set up or beef up your emergency/rainy-day fund.** It's great to be investing toward tomorrow. But in an emergency, you may need cash today. Be sure to set enough aside, so you won't need to take costly loans or sell holdings at inopportune times.
10. **Revisit your estate plans.** Even if you've already established your estate plans, if it's been a year or more since you've looked at them, odds are they're due for a refresh.

Simplify

11. **Declutter your portfolio management.** Over time, most families end up with a confusing array of investment accounts across multiple custodians. Where possible, organize your accounts across fewer platforms, so you can better manage your moving parts.
12. **Unsubscribe from something.** You may also have accumulated hordes of e-newsletters through the years. Some may be useful, but many others may merely distract. Pick a few you never read anyway, and unsubscribe (or, if the source is suspicious, mark them as junk).

Learn

13. **Advance your financial literacy.** Books, podcasts, classrooms ... financial literacy pays for itself, and then some. (Do beware of mass-mailed sales pitches, posing as "educational" forums.) Want some recommendations? Let us know. We'll share some of our favorites!
14. **Educate your kids.** Budgeting, goal-setting, spending ... instill the financial basics early on to strengthen your kids' future financial independence, as well as your own.
15. **Talk to your aging parents or adult children.** A few simple conversations can enhance your understanding of one another's goals and values, and reduce unnecessary expenses when making multigenerational financial decisions.

Delegate

16. **Hire a fiduciary advisor.** There are so many effective actions you can take to contribute to your total wealth, we've barely scratched the surface. None of them are terribly time-consuming in isolation, but it can feel overwhelming to consider them as a whole. Plus, a coordinated effort usually yields the best results.

That last point is exactly why we founded Delap Wealth Advisory. Managing your investment portfolio through thick and thin is part of it. But our greater goal is to help you oversee all the variables we can control in your financial journey. In so doing, we're also preparing you to move more smoothly past the market's inevitable—and uncontrollable—rough spots.

What else can you do to "recession-proof" your wealth? Contact us today to learn more.



Jared Siegel | 503.974.5737
jsiegel@delapwa.com
delapwa.com