

COVID- 19

Top Financial Concerns

At Newport Group, we are driven to help with your retirement journey, however, we understand retirement savings is not your only financial concern at this time. This has been magnified by Covid-19 and we would like to share with you what Americans have said are their top financial concerns during these unprecedented times. We understand future savings are impacted by today's conditions, and we would like to provide you with some insights.

TOP FINANCIAL CONCERNS

- 1. Income Fluctuations.** Without a proper reserve, many Americans have experienced an income fluctuation either from a household employment reduction or loss. While Covid-19 has created a unique cultural environment, financially it has forced us to focus and streamline our financial lifestyle. For many it will be the emergence of a budget, evaluating our spending and making changes. Market cycles are not new, and we will prevail stronger.
- 2. Prioritizing Expenses.** When concerned about your financial health, re-examine your priorities and differentiate what are needs versus wants. A simple practice is to review your expenses over the previous few months and see how the money was spent. You may surprise yourself and determine some of those purchases were not a priority. Once you figure out the necessities, you can focus solely on them and build your budget. You can always revisit the "wants" at a later date and set a goal to purchase them once you feel more financially stable.
- 3. Emergency Savings.** Financial advisors generally recommend you set aside three to six months' worth of living expenses in an emergency fund. However, individuals may want more or less based on comfort level, job industry, or life events. This is a good rule of thumb to follow in good times and in bad. Your emergency fund should be liquid, which means keeping it in an account that is readily available. If your reserve has been depleted or is not at the level you desire, it is never too late to start one or add to one.
- 4. Staying on your Retirement Journey.** Although today's market has been volatile, it is important to continue to contribute to your retirement savings plan. This is a great opportunity to purchase stock "on sale" and potentially see greater gains in the future. It's important to review your asset allocation to ensure it aligns with your risk tolerance and time horizon. Remember your retirement savings plan is for retirement. So be mindful when requesting withdrawals or loans from the account.

During these unprecedented difficult times, it is essential to have focus and a plan. Keep in mind that financial hardships are temporary and having a strategy helps you navigate the ups and downs we experience throughout our retirement journey. You are not alone, Newport Group is here to provide insight and resources to help you reach your goal.

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