



Steps to Take Since the Sports World is Closed

When it comes to your finances, do you play offense or defense?

The sports world has shut down because of the coronavirus. The NBA, NHL, MLB, PGA, MLS, USATF, ATP, USAT, NASCAR, XFL, NCAA, your local high school and your town's recreational leagues are all closed. And no one really knows when they might reopen.

No matter what your favorite sport, you probably lean more toward defense or offense, right? But when it comes to your finances, which one are you? Are you more comfortable on offense or defense?

Sports & Financial Goals

Just like in sports, many of us take a passive, defensive approach to our financial goals. We decide to wait until things calm down in the markets or until the kids are through college to really address our longer-term needs. Maybe you keep more than you should in cash in the hopes that you'll feel more comfortable down the road with investing it.

But as in sports, it's hard to win when you are just reacting defensively to financial news and life events. Sometimes you need to get more aggressive and make the moves on offense yourself, and proactively prepare for the challenges ahead. And maybe the coronavirus is presenting us with just such an opportunity to change our defensive behavior.

Such a change in behavior doesn't come without risk, but playing offense can help you meet your goals. So

what exactly can you do to be more of an offensive player with your finances?

Here are six steps that you can take right now.

#1: Identify your shortest-term goal

Maybe you want to fix the roof or take an anniversary trip overseas. But your shortest-term goal should really be about protection. Especially if you are going to take more risk, you will need some protection.

So, take a few minutes and review your life, disability, homeowners and auto insurance coverage. You don't want an accident or illness to prevent you from achieving all of your other financial goals in life.

#2: Identify your longest-term goal

Is it passing on a certain amount to your kids or living well in retirement? Very few people actually take the time to articulate where they would like to see themselves in 10 or 20 years.

Put some numbers around it. Then work backwards to figure out the steps required to get there. This is where you need the right partner, the right coach to help change the way you play. Hiring a financial advisor is probably exactly what you are going to need to accomplish a secure retirement.

#3: Train More

This is really about education. You don't know what you don't know. Find out what you are missing. Knowledge of the markets gets us more comfortable with changing our game.

There are experts to help you, but when match time comes, it's really up to you and the decisions you make that dictate success. Coaches and advisors know this all too well. A strategy that works for one player may not work for another.

#4: Pace Yourself

Unless you're over 90, accomplishing that longest-term goal is going to take some time. The winner in a marathon isn't usually the fastest sprinter in the race. If you chase quick money in the markets, investing when it's up and sitting on the sidelines when it's down, you are trying to sprint your way to victory in a very long race.

If you are trying to invest your excess cash and even making new investments on a regular basis, there will still be times when you won't be out front in the race. In fact, many of us have felt like we are running in place the past year. But the finish line is getting closer.

#5: Learn from Your Mistakes

In investing and planning, there are going to be a few hiccups as you get better. You can still win a tennis match, even if you made a few bad shots. Even if you mess up an entire match, don't throw in the towel.

Nor should you give up on investing or planning your financial future just because your investments went down this year. Even if you lose some money, you didn't lose the lesson.

#6: Celebrate Your Victories

There will always be another match, a tougher opponent, a new hurdle to overcome. All the more reason to enjoy the accomplishments.