



Recession Checklist

✓ *Budget*

- Take an average of the last 3 months' worth of spending
- Consider lowering discretionary expenses
- Automate allocations to short-term savings and to investments

✓ *Reassess your Emergency Fund*

- Keep at least 6 months' worth of spending available in cash
- Depending on your profession, consider keeping more available in cash

✓ *Debts and mortgages*

- Pay off any high-interest debt balances
- Consider debt consolidation
- Refinance your mortgage, if favorable

✓ *Investments – reassess your risk tolerance & diversify*

- Assess your risk tolerance – market corrections are a great time for a gut check with your portfolio allocation
- Diversify your investments.
 - Having an allocation to different asset classes (e.g. stocks vs. bonds) as well as different sub-asset classes (e.g. small companies vs. large companies) will help to alleviate the risk of all asset values declining at once.

✓ *Look for investing opportunities*

- Buy *low*, sell high
- Take a page out of Warren Buffett's book - "Be fearful when others are greedy and greedy when others are fearful."

✓ *Roth conversions*

- When the stock market is low, it's an opportune time to consider converting pre-tax retirement money into Roth

✓ *Tax loss harvesting*

- Harvesting losses can help alleviate your tax liabilities in the short-term
- Loss harvesting can also help to offset any capital gains you have realized throughout the tax year

✓ *Gifting for estate planning purposes*

- If gifting is a part of your estate plan, consider gifting when valuations are low on assets like real estate and portfolio investments
- This could potentially yield some tax savings long-term on estate taxes and gift tax

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