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What DO I DO NOW?

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2022 has recently come to an end and good riddance. It is an understatement to say it was a challenging year in the financial markets with soaring interest rates, skyrocketing inflation everywhere you look, a war in Ukraine, many talking heads predicting economic doom and gloom, and ultimately a recession in 2023. This all leads to the question: What DO I DO NOW? Many of the so-called “experts” are quick to predict a recession but few offer guidance, advice, or tactical strategies for regular successful people to get ahead and maybe even stay ahead. The truth is there are no easy answers or actions to take that are a panacea for today’s volatile markets. Here we are going to offer five suggestions that may help you advance closer to financial independence which many folks are looking for.

1. Review your comprehensive financial plan to evaluate where you are currently on your journey. If you do not have a dollar-specific, date-specific financial plan, you MUST complete one and implement it immediately.
2. Look for ways to increase your income. Bond yields have risen quite significantly in 2022. The 10-year Treasury note started the year at 1.51%. It is currently yielding 3.81% (as of 12/27/2022). Also, consider adding tax-free income



- by adding tax-free municipal bonds as tax rates are not likely to go down anytime soon.
3. Consider adding to your portfolio the stocks of companies that pay high dividends or of companies that consistently increase or grow the dividends they pay shareholders as a way to increase your investment income.

4. Do not simply allow your cash savings to build in bank checking or savings accounts. At the end of 2021 cash paid very little interest as the fed fund rate was between 0 and .25%. Currently, 6-month and 1-year CDs are approaching 4.5% or more. Many money markets are approaching a 4% payout as well.

5. Engage a fiduciary to analyze your complete financial situation. They can help you organize, coordinate, implement and monitor your financial plan. And if you do not have an updated plan, they can complete a comprehensive financial diagnostic for you. (Please review my December 2022 article on the difference between a broker and a fiduciary.)



This article lists five actions you can take to analyze, organize and monitor your current financial situation and a few ways to add more current investment income to your financial plan. There is no easy way out or free lunch on your journey as you try to move towards financial independence. These are definitely tricky times. Seeking help in this new year may help you navigate the current environment. In order to achieve ultimate financial freedom, remain proactive, look for ways to add investment income, engage a fiduciary for help and work your plan. My next article will provide five things to avoid that may help solidify your plan.

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Dare to envision your Next Level in 2023

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