



# 2020 RECESSION PLAYBOOK FOR 40-SOMETHINGS

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# LOOK HOW FAR WE'VE COME

2020 – So much has happened and so much has changed. Many of us are thinking “How the heck did we get here?” We’ve probably reflected over the last 2 decades to answer that question. As 40-somethings, we’ve been through a lot and all while building our adult lives and careers.

## WHERE WE STARTED

We grew up playing Atari or Nintendo. We rode our bikes around town with our friends, had part-time jobs as teens, and took part in some questionable fashion trends. We used a telephone with a cord and “call waiting” was a major innovation. We made mix tapes and watched MTV. Our mission: go to college, get great jobs and gain independence!

Now, many of us have families of our own. Mortgage(s). Kids. Aging parents. Businesses. A demanding schedule. We are mid-career. Somewhere in the future lies college expenses and retirement. We were making great progress – every day a little bit closer to our goals.

Then – 2020 happened. A crisis like we’ve never seen before with huge economic impacts. The question is: What do we do next?

## WHERE WE WERE BEFORE THE VIRUS OUTBREAK

- A year ago we were hitting record-highs in the financial markets – The Dow hit a record high 22 times in 2019\*
- 11-years into a bull market, unemployment was down to a record low 3.5%

## BY THE END OF MARCH 2020

- Global pandemic is impacting global economic growth
- Bull market ends and S&P plunges over 30% from it’s high, in the matter of weeks
- 3-5% daily market swings become common
- The US is on stay-at-home orders

## WHAT HAS CHANGED?

- EVERYTHING. Life, as we know it, is different.

We’re now in a recession. The last time this happened, 11 years ago, those in their 40s were in a very different place in life.

As a 40-something, we remember the Global Financial Crisis of 2008. We may have some accumulated wealth given the prosperity of the last decade. We’re likely in our peak earnings years but also peak responsibility years, juggling both family and financial demands. As Gen-Xers, we are thought to be independent, resourceful and self-sufficient.

\*<https://us.spindices.com/search/?query=djia&Search=Go&Search=Go>



# 40

## SOMETHINGS PLAYBOOK

### THINGS TO KEEP IN MIND

- This too shall pass – you’re adaptable and resourceful
- Continue to work towards your financial goals – but be pragmatic and flexible
- You now have wealth and know you need to grow it while also protecting what you’ve worked so hard for
- You’re still 15-25 years from retirement – time is still on your side

### THE ACTIONS YOU CAN TAKE TODAY

- ❑ Revisit the purpose for each account you own (savings, brokerage, stocks, etc)
- ❑ Ensure you continue 401k contributions – especially if your employer has a match
- ❑ Stock prices have fallen. Investors tend to under-own stocks after a market decline. Revisit the stock exposure you have for long-term goals, like retirement.
- ❑ Determine if a ROTH conversion makes sense for you
- ❑ Re-evaluate concentrated positions in employer stock
- ❑ Interest rates are at historic lows - refinance debts: Mortgages, Car Loans, Credit Card
- ❑ Review insurance policies with your agent (life, disability, home, auto)
- ❑ Review all beneficiaries and your estate plan



# WHERE TO TURN FOR HELP

Problem solving usually works better in a team.

Take time away from the craziness to talk with your spouse. Reach out to your CPA, a trusted friend or family member or your financial professional.

We've helped hundreds of families through hard times – and we'll get through this one too.

## A LITTLE BIT ABOUT US

We are ARSENAL FINANCIAL, a Boston-area Financial Planning and Investment Management firm. We are a tight-knit team of independent financial advisors who focus on:

- Families in their 30s/40s
- Those who are within 10 years of retirement
- Entrepreneurs and small business owners

We are passionate and ready to help our peers and small business community during this difficult time. There are a number of ways to connect with us and follow our content:

### Follow our blog

<https://www.arsenalfinancial.com/blog>

**If you need personalized guidance, we invite you to book 15 minutes with us at [info@arsenalfinancial.com](mailto:info@arsenalfinancial.com)**

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