

## Emergency Accounts 101

*How to protect your retirement assets from unexpected expenses.*

Preparing for the possibility of an emergency – whether medical, professional or natural – can seem worrisome, but it’s an important step in financial planning. Maintaining a separate emergency fund is no different than an insurance policy. You protect yourself and loved ones from life’s unknowns. And most important, you can avoid draining your retirement portfolio or borrowing at unfavorable terms due to unexpected costs you’re not prepared for.

### Commit to a Plan

When establishing an emergency fund, don’t just stash cash, build a plan. An emergency fund should be part of your overall financial plan. But you should reserve these monies solely to reduce an unforeseen financial burden during challenging times.

Opinions differ on how much you should set aside, and your overall financial picture and cash flow profile are important considerations. Some experts believe six months of living expenses is appropriate for an emergency fund, while others advocate having two years worth of expenses tucked away. Keep in mind, the number and types of income in your home. For example, if your income is primarily from commissions, your need for funds to cover expenses may not be as predictable and therefore a larger level of reserve is best. Alternatively, if you have a one income household with a spouse and children, your emergency fund should take into consideration the potential expenses as a combined family.

Emergency funds should be easy to access, but 100% cash isn’t necessary. Consider using accounts that offer benefits, such as short-term CDs or money market accounts that may offer some interest. And if you are worried about losing access to your funds as a result of a natural disaster or bank crisis, it may comfort you to know that FDIC regulations insure funds up to \$250,000 at banking institutions.

### Building Your Emergency Fund

If you haven’t started that rainy day fund just yet, get started with small steps. First, avoid accruing additional debt, particularly credit card or auto loans. Pay off debt as quickly as possible – starting with the highest interest rate balances – and apply the extra cash toward the emergency fund. If you receive a tax refund or a dividend disbursement, consider contributing some or all to the emergency fund.

Identify areas where you can immediately cut back, like dinners out, idle club memberships and subscriptions that go unread. If you have not put enough into your fund when faced with an emergency, consider alternative sources of funds, including low interest credit cards or lines of credit you already have opened. Keep an electronic or hard copy of your emergency plan detailing these considerations and maintain organized records. When there is an emergency, the impact will be less overwhelming and easier to manage by being prepared.

### Replenish, Replenish

An emergency fund is not designed to be a one-time reserve. You can’t predict the future, and if another crisis affects your family, you’ll want to be sure the fund is replenished. Just like the first time, rebuild step by step as quickly as you can possibly manage. And remember, treat an emergency fund for what it is – an insurance policy. Maintain it at all times, and use it only in true emergency situations.



Content provided by Point of View Raymond James

# 5 Tips for Better Work-Life Balance

*Beat burnout by making more time for the activities and people that matter most to you.*

If you're finding it more challenging than ever to juggle the demands of your job and the rest of your life, you're not alone.

Many people are putting in extra hours, or using their smartphones to be on call when they're not physically at work.

"A lot of people are having a more difficult time finding balance in their lives because there have been cutbacks or layoffs where they work. They're afraid it may happen to them, so they're putting in more hours," says psychologist Robert Brooks, PhD, co-author of *The Power of Resilience: Achieving Balance, Confidence, and Personal Strength in Your Life*.

"But even if you don't have much control over the hours you have to work, you can ask yourself: In what other ways am I bringing greater enjoyment into my life?" Brooks says. "Focus your time and attention on things you can control."

Here are five ways to bring a little more balance to your daily routine:

## 1. Build downtime into your schedule.

When you plan your week, make it a point to schedule time with your family and friends, and activities that help you recharge.

If a date night with your spouse or a softball game with friends is on your calendar, you'll have something to look forward to and an extra incentive to manage your time well so you don't have to cancel.

"It helps to be proactive about scheduling," says Laura Stack, a productivity expert in Denver and author of *SuperCompetent: The Six Keys to Perform at Your Productive Best*. "When I go out with my girlfriends, we all whip out our cell phones and put another girls' night out on the calendar for 1 month later."

Stack also plans an activity with her family, like going to a movie or the park, every Sunday afternoon. "We do this because if there's nothing on the schedule, time tends to get frittered away and the weekend may end without us spending quality time together," she says.

Michael Neithardt, an actor and television commercial producer in New York City, wakes up 3 hours before he has to leave for work so he can go for a run and spend some time with his wife and baby.

"A lot of my friends tend to wake up, shower, and go straight to work. And they often complain about having no time to do anything," he says. "I find that if I can get those 3 hours in the morning, I have a more productive and peaceful workday. I can sure tell the difference when I don't."

## 2. Drop activities that sap your time or energy.

"Many people waste their time on activities or people that add no value -- for example, spending too much time at work with a colleague who is constantly venting and gossiping," says Marilyn Puder-York, PhD, a psychologist and executive coach in New York and Connecticut.

Her advice: Take stock of activities that don't enhance your career or personal life, and minimize the time you spend on them.

You may even be able to leave work earlier if you make a conscious effort to limit the time you spend on the web and social media sites, making personal calls, or checking your bank balance. "We often get sucked into these habits that are making us much less efficient without realizing it," Stack says.

## 3. Rethink your errands.

Consider whether you can outsource any of your time-consuming household chores or errands.

Could you order your groceries online and have them delivered? Hire a kid down the street to mow your lawn? Have your dry cleaning picked up and dropped off at your home or office? Order your stamps online so you don't have to go to the post office? Even if you're on a tight budget, you may discover that the time you'll save will make it worth it.

Stack also suggests trading services with friends. Offer to do tasks that you enjoy or that you were planning to do anyway.

"You could exchange gardening services for babysitting services," Stack says. "If you like to cook, you could prepare and freeze a couple of meals and give them to a friend in exchange for wrapping your holiday gifts."

## 4. Get moving.

It's hard to make time for exercise when you have a jam-packed schedule, but it may ultimately help you get more done by boosting your energy level and ability to concentrate.

"Research shows exercise can help you to be more alert," Brooks says. "And I've noticed that when I don't exercise because I'm trying to squeeze in another half hour of writing, I don't feel as alert."

Samantha Harris, a lawyer who works for a nonprofit organization in Philadelphia, goes to her gym 2 or 3 mornings a week before her family wakes up. "It's been a real boost in terms of the way I feel for the rest of the day," she says. "I feel like my head is clearer and I've had a little time to myself."

## 5. Remember that a little relaxation goes a long way.

Don't assume that you need to make big changes to bring more balance to your life. Brooks recommends setting realistic goals, like leaving the office earlier 1 night per week.

"Slowly build more activities into your schedule that are important to you," he says. "Maybe you can start by spending an hour a week on your hobby of carpentry, or planning a weekend getaway with your spouse once a year."

Even during a hectic day, you can take 10 or 15 minutes to do something that will recharge your batteries. "Take a bath, read a trashy novel, go for a walk, or listen to music," Stack says. "You have to make a little time for the things that ignite your joy."



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