Preparing for the Unexpected

Smart financial planning includes preparing for the unexpected. Life throws a wrench into even the best-laid plans from time to time. We can't predict when the events will happen or how much each hit will cost us, but we can always count on things happening that are outside of our control.

The best way to minimize the blow is to actively prepare for the unexpected. This worksheet will walk you through exactly what you need to consider when preparing for the actions you'll need to take. If you would like someone to talk you through this, the worksheet can be used in tandem with my SOLOPRENEUR MONEY PODCAST, Episode 4, "Preparing for the Unexpected."

EMERGENCY SAVINGS

- Ideally 6 to 12 months of living expenses.
- How much do you have?
- Is it enough?
- If not, make a plan to get there.
- What steps can you take?

HEALTH INSURANCE

- Review to make sure coverage is adequate.
- Do you have a Health Savings Account option?
- Are you using it?

LIFE INSURANCE

- Ideally 5 to 10 times your income.
- How much do you have in place?
- Do you need more?

NOTES

DISABILITY INCOME INSURANCE

- Do you have it in place?
- Could you survive without your income?
- If not, how much would you need to keep your standard of living?

CASH FLOW

- Review bank statements for unneeded expenses.
- Make a game of it.
- Start small and cut. You can always add it back later.
- Revisit your client list. Any unprofitable clients?

  Can you increase your income? Make a plan.
- Revisit your service model.
  - Are there other services you could offer?
  - Are there other industries you could market to?
  - Can you upsell or cross-sell more to existing customers?

NOTES

By making the effort to prepare for the unexpected, you can avoid being blindsided and caught off guard. Small steps over time make a big difference in your preparedness and ability to manage a hit to your finances. The key is to make preparation a non-negotiable priority and get started today.