

# 2023 · WHAT ISSUES SHOULD I CONSIDER DURING A RECESSION OR MARKET CORRECTION?

CASH FLOW ISSUES	YES	NO
<b>Will your cash flow be tight?</b> If so, consider the following: <ul style="list-style-type: none"> <li>■ Reexamine your budget looking for areas to reduce spending, especially discretionary expenses.</li> <li>■ Fund any shortfalls strategically, using the most advantageous source of cash.</li> <li>■ You may need to prioritize your obligations, and take advantage of opportunities to extend due dates or alter payment schedules, minimizing fees, penalties, and any negative impact upon your credit.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you need to review or increase your emergency fund?</b> If so, evaluate the size of your fund and assess the number of months that it can support your living expenses.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Have you experienced a disruption in your employment?</b> If so, and you were laid off from work through no fault of your own, you may be eligible for unemployment benefits.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Were you planning to retire in the near future?</b> If so, consider the following: <ul style="list-style-type: none"> <li>■ Review your options to make sure you are still comfortable with retiring or if you would prefer to work a little longer.</li> <li>■ Review your budget, and possibly reduce spending in non-essential categories in the first few years of retirement.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are you taking a distribution from an investment or retirement account?</b> If so, consider the impact of changing your distribution schedule to protect accounts (defer remaining distributions until the end of the year or spread the distributions over the rest of the year).	<input type="checkbox"/>	<input type="checkbox"/>

ASSET & DEBT ISSUES	YES	NO
<b>Do you have a mortgage or debts?</b> If so, consider if you should refinance any debts now while interest rates are low.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you want to rebalance your investment and retirement accounts?</b> If so, consider the following: <ul style="list-style-type: none"> <li>■ Revisit your target asset allocation and overall investment philosophy.</li> <li>■ Identify holdings that you have retained only because of their low basis, and consider reducing your position while valuations are low, minimizing realized gains.</li> <li>■ As always, exercise discretion and discipline, taking a long-term view and prudent action.</li> </ul>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you have extra cash that is not earmarked for an upcoming expenditure?</b> If so, consider investing it to take advantage of low valuations.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you typically make contributions to a traditional IRA or Roth IRA?</b> If so, consider making a contribution now, to take advantage of low valuations.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Are you a small business owner?</b> If so, you may be eligible for a small business loan, or other forms of federal, state, and community relief.	<input type="checkbox"/>	<input type="checkbox"/>

TAX PLANNING ISSUES	YES	NO
<b>Do you have a traditional 401(k) or IRA?</b> If so, converting some of the assets into a Roth IRA could be beneficial while valuations are low. If you are laid off, you may have more room in your tax bracket to do Roth conversions.	<input type="checkbox"/>	<input type="checkbox"/>
<b>Do you have any assets with a tax loss?</b> If so, consider harvesting the loss, which could reduce your tax liability.	<input type="checkbox"/>	<input type="checkbox"/>

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LONG-TERM PLANNING ISSUES	YES	NO
<b>&gt; Do you have an annual gifting strategy in place to pass assets to your heirs?</b> If so, consider gifting assets (up to \$17,000, per person, gift tax-free) now, while valuations are low, and while support may be particularly helpful to the donee.	<input type="checkbox"/>	<input type="checkbox"/>
<b>&gt; Are you in a position to help family members in need of financial assistance?</b> If so, consider making intrafamilial loans when the AFR is low. This avoids gift tax, locks in a favorable interest rate for the borrower, and can act as an “advance” on an inheritance when structured with your heirs.	<input type="checkbox"/>	<input type="checkbox"/>
<b>&gt; Do you need to update your estate plan?</b> If so, consider the following: <ul style="list-style-type: none"><li>■ Review the impact of any change in asset values upon the ultimate distribution of your estate including probate and non-probate assets.</li><li>■ Consider implementing wealth transfer techniques that take advantage of low valuations and rates (such as GRATs, CLATs, IDGTs, and private annuities).</li><li>■ Reference the “What Issues Should I Consider Before I Update My Estate Plan?” checklist.</li></ul>	<input type="checkbox"/>	<input type="checkbox"/>

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