

8 Ways to Protect Your Financial Future in a Turbulent Economy

The economy is on the verge of another great recession. It is only a matter of time before millions of people get laid off and will have to find other ways to earn a living.

Don't wait for the economy to get worse. Now is the time to be bold and take action to protect your financial future.

Below are the top 8 ways to protect your financial future in a turbulent economy.

1) Multiple Streams of Income

Multiple income streams can give you financial security when you lose your job or other primary income source. You can fall back on extra sources of income without having to sell your home or live on the streets.

Some examples of multiple income streams include:

- Freelance writing
- Selling art
- Retail arbitrage
- Invest in high-dividend stocks
- Start a blog
- Make a YouTube channel
- Ad promotions on a car wrap

There are so many ways to make money besides a 9-to-5 job. You just have to get creative and spend time setting up your various income streams. They won't make you massive amounts of money overnight, but they could earn you substantial income if you continue working at them.

2) Make a Budget

People without budgets often overspend on items or services they don't need. A budget will allow you to track where all your money goes each month, so you don't waste it on things that don't matter.

Create a budget outlining each one of your expenses and income streams. Then, you will know how much money you pay each month versus how much you take into the bank. From there, you can make adjustments wherever they are necessary.

3) Build a Cash Reserve

Do you have a cash reserve handy? It helps to save at least a few thousand dollars or more for a rainy day.

You should save enough money to support yourself and your family for at least six months. If economic times get tough and you lose your job, you can fall back on your cash reserve for financial support until you get back on your feet again.

4) Eliminate Unnecessary Bills

Are all your monthly bills and expenses for essential services? If you have certain monthly expenses that don't contribute toward living necessities, then you should think about eliminating those expenses.

Some examples of unnecessary bills include:

- Cable television premium packages
- Restaurants / casual dining
- Landline phone
- Credit card
- Expensive insurance

If you cannot eliminate a particular bill entirely, try reducing the amount you owe monthly. For example, you could decrease your auto insurance or cable television bill by renegotiating your plan with the company.

5) Eliminate Outstanding Debt

Do you have outstanding loans and credit card debt? If so, eliminate this debt immediately before the next great recession because you don't want to get stuck paying these bills when times get tough.

Think about getting a debt consolidation loan to pay off multiple creditors. You'll only have one creditor to pay back, which lowers your interest payments.

6) Save for Retirement

Don't wait to save for retirement. Invest your extra cash into a Roth IRA, 401(k), or retirement savings account.

If you have a nest egg waiting for you at retirement age, the country's economic status won't matter much to you anymore because you can rely on your nest egg to survive.

7) Home Equity Line of Credit

You could apply for a home equity line of credit if you own your home. A home equity line of credit borrows against the equity of your home. It is like a loan reserve you don't have to pay back until you spend the credit on purchases.

A home equity line of credit is good to have on standby for emergency expenses. Don't spend the credit on anything other than emergency expenses. Then pay back the credit as soon as you can.

8) Live Frugally

Grow accustomed to living a frugal lifestyle. Buy clothes and household goods from thrift stores rather than retail stores. Don't eat out at restaurants or drive anywhere unless it's absolutely necessary.

If you do it right, frugal living could save you hundreds of dollars monthly. Just remember to spend money on things you need to survive and nothing else. You'll be surprised how much extra cash you will have saved by the end of each month.

Conclusion

Relying on a 9-to-5 job will no longer secure your financial future. The politicians and corporate leaders certainly have no interest in helping you either. So, you have to help yourself.

Now you know some of the best ways to prepare for the inevitable financial collapse that is bound to happen. If you act fast, perhaps you could reduce the financial burden on yourself that others are bound to feel.