

SUCCESSFUL WOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



Failing forward – successfully

How to capitalize on your setbacks

Failure is essential to future success.
Yes, you read that right.

A study by the Psychology of Sport and Exercise journal found that while failure hurts self-esteem and creates negative emotion, future performance was not impaired by failure. In fact, researchers surmised it was a prerequisite to success.

This year may have been more challenging than others for some, as many have struggled to meet their needs—much less their goals—amid the pandemic. But people are taking this time to reevaluate their priorities and what they want their life's focus to be. An article by Washingtonian magazine sums it up well: "Some people are moving, breaking up, considering a career change or finally starting passion projects."

Regardless of what obstacles you find yourself wading through, there are lessons to be learned about how to use failures to your advantage. Here are tips for capitalizing on your setbacks.

EMBRACE IT

Failure is part of everyone's story, so try to embrace your own setbacks as part of your journey. Take it from Michael Jordan (who some call the greatest of all time, let's remember!). In a decade-old commercial, Jordan recounts the 26 times he was trusted to make a game-winning shot and missed. He goes on to say, "I've failed over and over and over again in my life. And that is why I succeed." If failure is part of this legend's story, we're in good company if it's part of ours.

"I've failed over and over and
over again in my life. And
that is why I succeed."

— Michael Jordan

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Failing forward – successfully (cont.)

Experiencing defeat prepares you for dealing with future obstacles – and opens you up to more opportunities. Because if you're comfortable with the fact that setbacks are to be expected, you're more likely to take on a challenge in the first place. Additionally, fear of failing can inhibit decision-making and stifle growth. Knowing it's part of the process, and you've come out on the other side before, will empower you to forge ahead.

REFLECT ON IT

It's important to realize why you failed in order to move on. Revisit your experience to determine if there was anything you could've – or perhaps should've – done differently. An honest assessment requires quite a bit of self-awareness because defense mechanisms can hide failure (denial is not uncommon). But, if you do the analysis, you'll be better set up for future success.

Recognize that recovery isn't always immediate. Acknowledge your failure, learn to sit with it – and ultimately accept it. The goal? Being able to start fresh (with your newly acquired knowledge, of course). According to Sir James Dyson, inventor and founder of the Dyson company, "Failure is the starting point." And he certainly knows. It took 15 years and 5,126 prototypes before he successfully created the first dual cyclone vacuum cleaner. Now that's determination!

BE CONTENT

Striving for success can be all-consuming. But when the reality of failure hits, it may inspire you to look to other aspects of your life for happiness. Contentment is a different form of success, and media mogul Oprah Winfrey can vouch for this. Despite a humble beginning and a rocky start to her journalism career, she rose to international prominence through talent and perseverance. Through numerous personal and professional setbacks, she found fulfillment in staying true to herself and serving others. That passion, she says, is the secret of her success. Going through failure, you gain an appreciation for the people around you, who you support and they, in turn, support you. It inspires a deeper connection with them – and with yourself.

REDEFINE PRIORITIES

Failing also can help you clarify the future. It forces you to take a good, hard look at your current situation and journey thus far, then determine which path to continue down. You hold the power to make that decision. This was the case with Sara Blakely, founder and owner of Spanx.

Experiencing failure does more than "build character," it's a prerequisite for success.

Blakely had every intention to follow her father's footsteps into law, but the LSAT bested her. Twice. An audition to become Goofy did not land her in the happiest place on earth either. Selling door-to-door fax machines, of all things, proved her perseverance and inherent sales skills. All she needed was a product she cared about. Thus, her shaping undergarment company was born.

If failure gives you the opportunity to realign your priorities, it's smart to have an emergency fund in place to provide a cushion as you readjust. The idea of an emergency fund, of course, is to offer flexibility when things don't go as planned. You can rely on your advisor to help you set aside enough funds to give you the room – and security – to fail forward.

Experiencing failure does more than "build character," it's essential for success. Look closely at your own ups and downs for those hard-earned lessons. It's all about how you use them to motivate yourself to move forward. Maybe Kelly Clarkson sang it best: "What doesn't kill you makes you stronger." ■

Sources: washingtonian.com; inc.com; psychologytoday.com; entrepreneur.com; youtube.com; forbes.com; cnbc.com

NEXT STEPS

Learn from the past:

- Reflect on your past setbacks to ensure you keep learning from your experiences
- Realize the feeling of failure is temporary and you're one step closer to success
- Ask your advisor to help you set up an emergency fund for when things don't go as planned



What happened to my budget?

When things don't go as planned, small changes can get you back on track

Your budget may no longer resemble what you set at the start of the year (you know, the one to fulfill the “prosperous New Year” all your holiday cards wished you). But that prosperity is still in reach. It just may take some retooling to get there.

Start with how your income has changed. Have you taken a pay cut or had to reduce hours? Is there an estimated time frame to return to your expected income levels? Have your bonuses been postponed or otherwise modified? Take a look at this individually and as a couple, and work with your advisor to make a budget that reflects your new reality.

Next, consider how your expenses have shifted. Experts have identified savings and spending trends that may apply to you:

Do it yourself. As people get fed up with being at home, they're queuing up the DIY projects that have long been on their Pinterest boards. According to a poll of 1,054 Americans about shopping habits during COVID-19, more than 70% decided to take on home improvement projects.

Dinner is served! As restaurants and bars close dining rooms, your grocery bill may increase to account for those extra meals but you'll save on the markups on martinis. Hello Fresh, a meal kit service, reported an increase in sales in the U.S. and Canada of 122% in the second quarter this year compared to last year.

Work from home. Your office space is set up for you to succeed (and be comfortable doing it). But there's a cost to replicate this environment at home, never mind the additional cost of all-day utilities.

Back to basics. Reports claim fishing gear and gardening supplies are seeing an increase in sales as people look for entertainment in simpler activities that allow them to unplug and enjoy solo.

Binge watching. According to a study by Deloitte, Americans are subscribing to more video streaming services than ever. The average consumer reports paying for four different streaming services, which is up from three before COVID-19.

Workouts look different. Gym closures and limited capacities inspired people to find other ways to sweat. Bike sales skyrocketed! According to market research company N.P.D Group, nationwide sales of bicycles, equipment and repair services in March almost doubled compared to the same month last year.

Work together with your advisor to determine what adjustments you could make to your budget temporarily or maybe on a more permanent basis. This might mean taking a second look at your swank car that hasn't left the driveway in six months (should you sell it?) or socking away extra savings for peace of mind. Some may need to leverage their rainy day savings, which is why they're there in the first place.

It can be overwhelming to make financial decisions when there are so many fluctuating factors, so consulting a trusted professional can help you stay focused on your financial goals. ■

Sources: marketwatch; nytimes; washingtonpost; variety

NEXT STEPS

If your lifestyle has shifted this year, take another look at your budget:

- Determine how your income has changed or will change in the next six months
- Detail which expenses have increased and decreased – and denote which ones are temporary
- Partner with your advisor to make adjustments to your budget so you can stay on track to reach your financial goals



7 ways to weather the financial and emotional storm

Going through a divorce is one of the most stressful events anyone can experience. And that may be amplified for women. According to a study by Pew Research, in the U.S., women's financial contributions to marriages have steadily been increasing in the last four decades, but men still make more in 69% of relationships. Interestingly, women's finances tend to take a bigger hit than men's after a divorce.

The impact spans Social Security benefits, retirement savings and even credit scores. If you find yourself headed toward a split, here are some considerations before, during and after you file.

BEFORE

Before you file for divorce, it's important to prepare for what's to come – emotionally and financially. Putting these in place will help:

1. **Build a circle of trusted people around you.** Surrounding yourself with friends and family is expected, but don't overlook professional support. A counselor can provide unbiased emotional support, and a financial advisor of your own will help you navigate the tricky financial considerations.
2. **Gather all documentation.** It's smart to pull together any legal and financial documentation.

DURING

Divorce proceedings averages a year, according to a survey by Nolo.com. These tips will help you take care of yourself when in the midst of it:

3. **Practice self-care.** Take time to grieve your relationship and process your emotions. For you, this may mean reading a book, volunteering, meditating, exercising to reduce stress or practicing affirmations to stay positive.

4. **Think clearly and fairly.** Do your best to create stability for any children involved. Then, think beyond which assets you want to retain and consider what you can maintain as well. For example, if you want to stay in the family home, add the maintenance to your budget so you can make it happen.
5. **Update your beneficiaries.** Even after your divorce is finalized, your soon-to-be ex-spouse could be entitled to your assets if they're listed as a beneficiary. Be sure you make changes official on insurance policies and retirement accounts once you've made that decision.

AFTER

Once the divorce is finalized, it's important to start anew:

6. **Consider tax consequences.** After a divorce, you will need to consider how filing individually will affect your tax bill. Other considerations are who will claim dependent children and how the transfers or buyouts of jointly owned assets will impact you in the first year. A financial advisor can help you navigate this.
7. **Detail co-parenting responsibilities.** In addition to child support and parental rights, it's just as important to decide who will take on responsibilities like monitoring your children's social media or scheduling the children's activities and other commitments. ■

NEXT STEPS

If you're going through a divorce:

- Surround yourself with support – both personal and professional confidants
- Ask an advisor to work with you and your attorney through the financial considerations to ensure assets are divided fairly