

How to Deal with a Crisis You Can't Predict

Do you consider yourself well-prepared? There's no predicting some scenarios— the so-called Black Swans. Below is a troubling illustration I wrote some time ago of just how bad facing the unexpected can feel:

Knock, Knock

It's 1:30 a.m.—pitch black on your suburban porch. A woman whom you do not recognize is at your front door, while an unfamiliar car idles in your driveway. Peeking out, you talk through a side window to the interloper, who explains that you had called her, and here she is.

Your 1911 Handgun

You, of course, had not called her, and, as a phone call goes into the police, you—somewhat dazed and alarmed—consider the feasibility of reaching for your 1911 handgun. Not long back, in broad daylight and only a couple of miles from your house, there had been a raft of break-ins featuring families immobilized withduct tape (while robbers searched through belongings). Residents of the general area are on heightened alert.

Sweaty Palms

I don't know about you, and I consider myself well-prepared and well-defended, but this type of “awakened out of a sound sleep” early a.m. door-knocking scenario makes my palms sweat. This is a true story relayed to me just days ago.

Is This Your Blueprint?

So we are looking at risk preparation here—no advance prep, no handy 1911, no nothing. Kids asleep upstairs, a terrified wife nearby, and you, with a blank stare, have a big goose egg on your preparation ledger. Is this the blueprint for you and your family? I know for a fact that this condition exists for a lot more families than not.

Black Swans

I write to you about financial and personal security, with the emphasis on risk analysis for both. For any given scenario, the first step is a complete understanding of all the elements of risk. Unfortunately, the game breakers are all Black Swan events that you cannot time accurately in advance. Nonetheless, preparation is warranted to cover the unexpected.

A home invasion is one of the most frightening and surprising events a family can endure. Also on the list of the terrifying and unexpected is the current global pandemic.

Few, if any, could have predicted today's coronavirus and the economic turmoil it would cause. But that doesn't mean nothing could be done to prepare.

Investors especially had the chance to prepare themselves for the unexpected. Minimizing risk in portfolios with diversification is the best way to prepare your investments for uncertain times.

Each month at my family-run investment counseling firm, Richard C. Young & Co., Ltd., my son Matt explains our strategies for diversification and minimizing investment risk in our client letter. If you want to understand the methods used by one of America's top-ranked investment advisors to address risk, sign up for a monthly alert for the client letter by [clicking here](#).

It's free, even for non-clients, and loaded with information you can use to help achieve your investing goals.

Prepare, even for those crises you can't predict.