



## 3 Ways to Protect Your Money Today — Before the Market Crashes Again

### Description

We investors spend a lot of time worrying about our stocks, bonds, and other financial instruments. After all, they're a big part of our lives. But in the middle of a panic like we're seeing today, perhaps it's time to switch your focus. Your emphasis today should be on ways to protect your money.

Liquidity isn't just important for purchasing investments. We're now at the point where savers must worry about things like a job loss or spending cash to ensure we have enough necessities to cover a period of quarantine. That's why everyone is hoarding [toilet paper](#). It's the last thing you want to run out of.

Here are three important ways you can protect your money during this time of economic uncertainty. This will ensure you don't run out of cash during the worst possible moment.

### Stock your emergency fund

Most jobs should continue without a hitch during this difficult time. Folks will either work from home or salaried employees will just get time off. But others will be impacted, especially if you're paid hourly or work in an industry decimated by virus scares.

We also don't know what will happen with the overall economy during this time. Will this be enough to plunge the economy into a recession? Or are we already there? Only time will be able to answer those questions.

To adequately protect their money for what could be a grim few months, every saver should ensure they have a well-stocked emergency fund. How much you put aside is up to you, but I'd recommend a minimum of three months of expenses socked away. You might insist on more, which is fine. The last thing you want is to stress about the basics.

### Pay off debt

Another way to protect your money during tumultuous times is to pay off any outstanding debts. There's no better feeling than finally being able to declare yourself debt free.

I'm the first to admit that most folks aren't a few months of savings away from getting rid of a car loan or their mortgage. But making a dent in these debts can really boost your spirits.

Besides, with markets falling seemingly every single day, getting a guaranteed 3% or 4% return from paying down the mortgage looks like a pretty good move.

## Buy secure stocks

A final way to protect your money during these tumultuous times is to insist on buying recession-proof stocks — names that will protect your money today while delivering upside potential in the future.

However, this is easier said than done. Even Canada's most conservative stocks are getting crushed today. This is forcing investors to make a choice — do you invest in solid blue-chip stocks (that could easily keep falling) or put your cash to work in ultra-conservative assets like government bonds?

One place that has held up relatively well is the Canadian telecom sector, specifically **Telus Corporation** ([TSX:T](#))([NYSE:TU](#)). Telus shares are down approximately 20% since the start of the panic, which is better than most other Canadian stocks. This has boosted the dividend yield to around 5.5%, which immediately indicates Telus is a fantastic bargain.

There's no doubt Telus's underlying business is still strong. Even if coronavirus gets worse and millions are forced to quarantine, customers will still be using the internet, calling on both their home and cell phones, and watching television. Things have to get pretty bad before folks stop paying their bills.

From a more strategic perspective, [I like Telus](#) because the company mostly sticks to the telecom business, rather than buying TV stations and sports teams like its competitors do. It has diversified a little into health care technology and it also purchased a call centre in Europe.

Telus shares currently trade hands at \$42 each. The company is projected to earn close to \$3 per share in 2020, putting this high-quality name at just 14 times earnings. This cheap valuation will help ensure Telus shares protect your money against a further selloff.

## The bottom line

Making easy moves today to preserve capital will give you peace of mind. While you don't need to take drastic steps to protect your money, it's still a good idea to keep a little in reserve and put cash to work in conservative names.

### CATEGORY

1. Dividend Stocks
2. Investing

### TICKERS GLOBAL

1. NYSE:TU (TELUS)
2. TSX:T (TELUS)

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#### **Date**

2025/08/23

#### **Date Created**

2020/03/13

#### **Author**

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