



Stop your money worries with **Risk Management**

- Work out **what worries you** about your finances
- Work out what you could do to **prevent** this happening
- Work out what you'll do to **mitigate** it if it does happen
- Put **sensible actions** in place in advance.
- Treat the mitigation actions as a **response plan**, if you need it.

Thanks for downloading our workbook!

Before you dive in, please read our

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Enjoy!



How to...

Manage your risks

Forewarned is forearmed

When you know what might go wrong, you can take action early to minimise the financial downside to you.

There are two parts to effective risk management:

- 1 Prevention is what you do in advance**
 - What can you do to stop this thing happening?
 - Leaving these actions till the proverbial hits the rotating blade is rarely helpful - these are things to do now or soon, before the problem hits.
- 2 Mitigation is what you do to recover**
 - What can you do to lessen the impact if it happens?
 - Having these actions outlined in advance frees up valuable mental space when you're under the stress of a situation.

How to use your risk management plan

Out of this exercise, you'll have two things:

- A **list of actions** to consider doing now, to prevent the worst effects of the most likely negative events, in the 'prevent' area.
- A **response plan** to pull out if that negative event does eventually happen, in the 'mitigate' area. Future You will thank you for it!

It's not always possible to do everything you've brainstormed. Sometimes it's cost prohibitive. Sometimes it's overkill. Sometimes the probability of this thing happening is so low that it's more pragmatic to not have actions or a plan in place.

Use your personal judgment to decide what you'll do, and what you won't.



Risk Management: Your Plan

Choose one issue you're worried about financially.
List how you could prevent and/or mitigate that risk.
Repeat for as many risks as worry you.

I'm **worried** that:

I could **prevent** this happening by:

I could **mitigate the impact** of this happening by:



Risk Management: Example

Choose one issue you're worried about financially.
List how you could prevent and/or mitigate that risk.
Repeat for as many risks as worry you.

I'm **worried** that:

I won't be able to afford rent this month.

I could **prevent** this happening by:

- Asking my landlord to space out my payments over the next month.
- Trying to earn extra cash, e.g. selling some secondhand stuff, taking an extra client/shift.
- Trying to reduce costs, e.g. asking other providers (e.g. power, gas, mortgage) for payment plans and/or discounts.
- Applying for rent assistance/relief from a local or government agency.

I could **mitigate the impact** of this happening by:

- Calling my landlord immediately when I realise I can't pay, so they know what's happening and we can agree a plan.
- Dipping into my buffer (savings) account to cover the shortfall.
- Cancelling any discretionary spending to get more cash.
- Seeking short-term financial support from a qualified agency.
- As a last resort: borrowing money from a family member or friend.

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