



Applying Wisdom in the Face of Uncertainty and Instability

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We are living through unusual times, and while many of us are experiencing heightened levels of stress, all of us are most likely tired of hearing about uncertainty. Although the headlines are filled with the *coronavirus* pandemic, civil unrest, and the upcoming election, it's important to remember that uncertainty is not new—it is always with us but just more of a topic sometimes than others.

Uncertainty refers to things we can't predict or prepare for but occur in normal times, like the weather. On the other hand, instability is created by something shocking and abnormal, like an earthquake.

Uncertainty is what you feel when you're nervous about the outcome of something that you know is coming but you don't know how it will turn out, like a job interview, a medical test, or a difficult conversation you need to have with someone. Instability is a jolt to the senses that you did not anticipate, such as when you trip and fall, feel a sudden loss of control, or receive unexpected bad news. Either feeling can create significant discomfort, but you are less prepared for instability.

In the context of current events, one could describe the political landscape and upcoming elections as uncertain—we know they're coming; we just don't know the outcome yet. However, the impact of the global pandemic that seemed to come out of nowhere has created a sense of instability; there's no way that we could have predicted how our world would change in just a few short months.

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Understanding and Approaching Uncertainty and Instability

So, how should we wrestle with the two powerful sentiments of uncertainty and instability? At Ronald Blue Trust, we believe that wisdom and courage are two antidotes to fear.

First, it's important to remember that the future is inherently uncertain. From a biblical standpoint, we believe that uncertainty entered the world when sin entered in. Because of sin, we must live not knowing what the future holds. Protection against uncertainty is a reason to plan, save, and invest.

Second, we recognize that, because of our fallen world, we can never completely avoid risk, and the markets and economies are not stable. Due to this instability, provisions against uncertainty may fail.

If we can accept these two principles and apply wisdom to address them, a certain rationality emerges.

Understanding present risks is an important step in making wise investment decisions. The concepts of uncertainty and instability are addressed in Ronald Blue Trust's Principles-Based Investing framework, which is based on the Principle of Applied Wisdom. It tells us that the world is uncertain but not chaotic. There are certain things we can do to bring order to planning and saving for the future; applying wisdom principles can improve the probability of successful outcomes.

How Wisdom Guides Our Approach

At Ronald Blue Trust, our approach is built around preparation and planning rather than predicting or reacting. When anxiety and fear about finances prevail, we look to our principles for wisdom to help calm those feelings. These core principles may seem simple, but they are effective and always relevant because they're based on God's Word:

- Spend less than you make.
- Avoid the use of consumer debt.
- Diversify and invest based on when money is needed (using a time-based approach).
- Be generous to those in need.

These principles can help lead and guide us into wise decision making no matter the economic season or uncertainty that we face. We have found that challenging times, like the ones we're in now, are when our clients are especially grateful for having followed these timeless tenets.

The Importance of a Financial Plan

More than any other component of the investment process, we believe that developing a goals-based financial plan and sticking with it has the greatest impact on long-term financial success.

Because certain behavioral biases can cause investors to panic when things seem unstable or uncertain, having a plan to follow can ease worry and increase financial peace of mind. It's similar to following a map to your destination even when it's turned dark or snowy outside. The map still provides sound guidance and a proven means of helping you get to your destination if you follow it, regardless of the conditions you're driving in.

Likewise, following your financial plan increases the probability of meeting your personal financial goals. In working with our clients over many years, we have observed that a personalized financial plan customized to specific time-based goals can provide the confidence to face a future that feels uncertain and unstable with calm and assurance. Although it is a challenging exercise, one action step you can take to increase peace of mind is to complete a home-going plan.

An Action Step Against Uncertainty and Instability: Planning Your Home-Going

Through the years, we have observed situations in which a loved one dies unexpectedly, and the family is left with more questions than answers about what that person would have wanted to happen after their death. Planning ahead typically yields better decisions and, most importantly, relieves a lot of anxiety for your loved ones during what is already a difficult time. Ronald Blue Trust offers a preplanning tool known as the Home-Going Packet that includes:



1. PERSONAL PREFERENCES

A section allowing you to record your funeral wishes, funeral home details, and obituary information. One copy is completed for each spouse.

2. DOCUMENTS

This section records the location of important documents such as wills and financial information. Just completing this section alone is invaluable.

3. IMPORTANT ITEMS TO CONSIDER

This section records practical items such as PIN numbers and passwords used for online accounts, recurring service contracts, and tax preparation contacts.

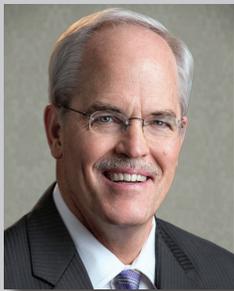
4. TIMELINE

A section including a summary list of other key decisions to make and when. Who do you call and what do you do within the first 48-hours after someone passes away? The first week after the funeral? The first month? This list is a thought starter for the critical tasks to complete following a death.

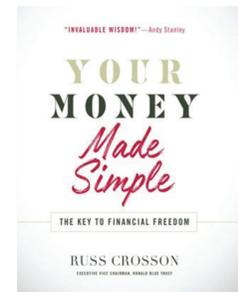
5. EXECUTOR DUTIES

This section contains a summary of sequential requirements to help the executor and other decision makers understand what to do and when.

Completing the Home-Going Packet does take some effort, but as with any prudent investment, the future dividends are worth the time spent. Please contact your Ronald Blue Trust financial advisor to learn more about the Home-Going Packet or to request a copy.



Russ Crosson is executive vice president and chief mission officer of Ronald Blue Trust® and executive vice chairman of the board of directors for Thrivent Trust Company. Russ serves as chief advocate for the heart and soul of the organization and works to ensure the mission of the company is fulfilled with integrity in every area of the organization, with a focus on making sure the company's mission is passed down and inculcated into future generations.



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