# COVID-19 ACTIONABLE STRATEGY #3

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Here is a transcript of the video:

Hey there everybody, Austin Peterson here with Backbone Financial & Lincoln Financial Advisors. This is video 3 of actionable steps or strategies that you can employ or things that you can control during this Covid-19 epidemic. I hope everybody is staying healthy and keeping those you can control during this Covid-19 epidemic. I hope everybody is staying healthy and keeping those hands washed. Today's strategy is called a Roth IRA conversion. Maybe you have heard of it, maybe you haven't, but it's essentially converting a traditional IRA or a taxable IRA to a Roth IRA or a tax free IRA. So why might we want to consider that today? Well, 2 main reasons…1, the market's been down, or is down, compared to its high, and so likely your portfolio has sustained some losses as well. And so by converting now, you're converting a smaller amount and having to pay taxes on less today to have that ability to convert it to a tax-free vehicle and so hopefully when we see the market recover, historically it has, of course we don't make any promises that it will. When we see that market recovery, you're recovering in a tax-free vehicle rather than a taxable vehicle. And the other thing to consider is, that it's likely, or potentially the case for you as an employee or a business owner that you may make less money this year than you have in years past. And so, again, your income's lower, you can take the additional income, pay less in taxes overall to convert that account from a taxable account to a tax-free account. Certainly something to discuss with your tax professional and make sure it fits your situation, as well as your financial advisor, but hopefully that's a little bit of a tidbit or a little bit of a strategy that you can employ; things that you can control during this pandemic. Hope everybody stays healthy, and keep those hands washed. Thanks for listening.

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