

# 3 Important Financial Spring Cleaning Goals for Your Financial Health



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Has the change of seasons inspired you to do some spring cleaning? Pathstone encourages you to tidy your financial records as well. Whether you are ultra-organized or could use some help from Marie Kondo, here are three goals to consider:

## **Record Retention**

While state and federal statutes of limitations provide guidance, record retention can be a personal preference. Most records, like standard tax returns, 1099s, and bank statements, can be disposed of after 7 years. Properly disposing of (shredding, deleting) unneeded documents will ensure a good recordkeeping system and limit your exposure to fraud. This practice also applies to old emails. Review and delete email exchanges that might contain sensitive information. Should you have questions, reach out to your Advisor for a record retention guideline.

Want to make sure you have access to old files? Documents can live securely forever through Pathstone's Sharefile system. Reach out to your Advisor if you have questions on record retention or would like to set up a Sharefile folder with your Pathstone team.

## **Cybersecurity**

Cybersecurity is arguably the largest issue the financial services industry faces. In 2021 cybercrime damages will cost [\\$6 trillion](#) annually across the globe, doubling the \$3 trillion figure from 2015. We highly encourage our clients to ensure their devices are up to date with endpoint protection software and to take precautions in situations that could potentially provide an opportunity to cyber criminals. For example, avoiding connections to open WiFi networks without using VPN software to secure the connection to the Internet.

Using unique, strong passwords for your logins will help protect your financial information. There are plenty of online [resources](#) for tricks to create and remember your strong passwords. While it can be challenging to recall various passwords, it's important to avoid storing them in easily accessible places like a notebook or spreadsheet on your desktop. Password managers are safe and convenient way to maintain your login information and vendors such as LastPass, 1Password and Dashlane offer support for all your electronic devices. Furthermore, we highly encourage multifactor authentication (MFA) where available for an additional layer of security. Nearly all financial institutions offer or require MFA when logging in.

Need some brushing up on best practices for 2021? Check out this [cybersecurity checklist](#) to help improve your cybersecurity hygiene.

## **Review Your Credit Report**

Regularly reviewing your credit report is a crucial part of your overall financial health and will further help protect against fraud. Checking your score at least annually will allow you to detect any inaccurate or incomplete information. Generally, most negative information stays on a credit report for [7 years](#). Checking your credit reports or credit scores will not impact your score, but hard inquiries in response to a credit application will. You may want to consider [freezing your credit](#) to protect against identity thieves opening lines of credit in your name as an extra layer of protection.

Reach out to your Pathstone team with any questions on maintaining financial health and best practices.

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