

# How to Be Prepared for Your Financial Future: Control What You Can Control



By [Susan Peterson](#), CFA, *Managing Director*

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“Maybe this year, we ought to walk through the rooms of our lives not looking for flaws but looking for potential.” – Ellen Goodman

As this year comes to an end, we take the opportunity to reflect and look for potential ways to increase our well-being financially and overall. In this month’s HerPath highlight, Managing Director, Sue Peterson, helps us prepare for our financial future.

After the last 18+ months, it can feel like so much has changed; it can be hard to know how to be best prepared for your financial future. **Consider the value of this key principle: control what you can control.** Doing so will help you know you are prepared for what may come. In the short term, we don’t know what the markets will bring both in terms of returns and what the path of returns may look like. Therefore, consider which aspects of your financial life you are in the driver’s seat. This can include how much you spend, the amount of cash on hand, or your exposure to equities.

A good rule of thumb is to have 6-12 months of living expenses available, especially if you are retired and depend entirely on your portfolio to provide for your lifestyle. To quickly determine how much you spend, add up the last six months of withdrawals from your checking account(s) and multiply by two. Compare this figure to how much cash you have on hand. If there is a deficit, ask your advisor to raise the additional cash needed. Another benefit of this approach is that if the market does have a significant downturn, you now have some cash to put to work at lower prices!

Your asset allocation should be set for the long term and rebalanced when market conditions cause equities to either become overweight (likely after a very good 2021) or underweight because of a market correction. If your circumstances change (for example, retirement), it is important to revisit your decision and plan accordingly. Have your advisor assess what allocation aligns with your retirement goals and consider whether changes are warranted.

Financial peace of mind comes when you know you are going to be okay whether markets are “sunny” or “stormy.” Following these simple steps as you approach year-end and plan for 2022 with your advisor can put your mind at ease so you can approach the new year with confidence rather than fear.

HerPath’s goal is to make financial matters less daunting to women and to encourage women to be more involved with their finances. By taking control of what you can control, you are looking for the potential and not the flaws. Have a wonderful and safe holiday season. We look forward to another year of community and empowering women to take control of their finances.

If you have any questions or would like to discuss your financial future, please [contact us here](#) or reach out to your Pathstone team.

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