

[Is Your Financial Plan Future-Proof? 4 Quick Ways To Plan For The Unexpected](#)

Forbes

September is National Preparedness Month, making now the perfect time to update your disaster-preparedness kit and family plan or visit Ready.gov to learn how to put one together. It's also a great time to revisit your financial plan, with special consideration to how prepared you may be to weather unexpected events in your life – something that has become all too real for many Americans over the last 12 months.

This summer's devastating California wildfires, flash floods in the mid-Atlantic and record-breaking heat across much of the U.S. reminds us of how quickly our world and circumstances can change. They also illustrate why taking steps to manage risk across every aspect of our lives—from protecting our loved ones, homes, property and businesses—is so important.

Let's start at home. For most people, their home is their single largest asset next to their retirement savings. Yet, according to a consumer advocacy group, United Policyholders, while more than 90% of Americans live in places where the risk of a natural disaster is moderate to high, over two-thirds are underinsured, requiring them to dip into emergency or longer-term savings when a disaster occurs. This can have an unintended ripple effect across your finances from depleting savings and increasing debt, to delaying retirement in some instances. Yet, planning for the unexpected goes well beyond adequately insuring your life and your property.

While most of us plan for the milestones in our lives – marriage, family, graduations, the sale of a business, retirement – we tend to give less attention to planning for life's unexpected moments. Let's face it. No one enjoys talking about the things that could go wrong and send us careening off course. Yet, avoiding these conversations doesn't make them go away or lessen the blow when a crisis does occur. In fact, it's just the opposite. Planning for life's "what ifs," like the 8 Blunders to Avoid in Retirement, provides an increased sense of empowerment over the things you can control and reduces the anxiety associated with the things you can't control.

Let's look at things you can control first, which include how much you save for short and long-term goals,

your tolerance for risk, the steps you take to protect your income sources and your goals.

Then there are the things outside of your control, such as market fluctuations, rising or falling interest rates, inflation, a sudden illness or injury, the need for long-term care and whether or not your child receives that college scholarship. While we have little or no direct control over these types of situations and events, they create tremendous concern and anxiety.

So, how do you achieve a sense of balance between the things you can't control and the things you can? That's where wealth planning comes in. A comprehensive plan provides a clear path for dealing with uncertainty and a sound framework for managing change. One way we accomplish that in the planning process is through scenario planning, which allows us to stress test your strategy to determine how it may weather change.

For example, what if you're forced to retire early due to an illness or job loss? We'll look at how that may impact your income in retirement. Will you still have enough to support your goals? What if the market drops 10%, 20% or 30% while you're in retirement? Will you still be okay? What impact will inflation have on your income over a period of 20 or 30 years in retirement? What if you need long-term care? By stress testing various scenarios, we're able to analyze the impact various factors may have on your ability to accomplish your goals.

Stress testing is especially important for investors in or nearing retirement. During the various stages of retirement, your assets may be more or less vulnerable to certain risk factors. For example, it's essential in the early stages of retirement to protect your assets from excessive market volatility and aggressive spending so you don't erode the value of assets needed to generate income throughout your retirement. Later in retirement, your assets are typically more vulnerable to the impact of inflation, increased healthcare costs and longevity, requiring greater emphasis to be placed on these risk factors.

As Mother Nature and the financial markets continue to remind us, none of us can predict what the future may hold. The market will do whatever it can to prove the most people wrong. Yet, there are steps you can take to help protect your home, your family and your income, and replace uncertainty about the future with confidence.

Visit gov for tips on updating your family emergency plan and disaster preparedness kit.

Schedule an insurance review with your different providers to ensure your coverages are both adequate and cost-effective. This includes property homeowners, auto) and income protection policies life, disability).

Use your smartphone to take a quick inventory of your possessions. Following a disaster, it can be challenging to answer all of your insurer's questions about what you owned and want to replace. Make

this easier by taking photos or video footage of every room in your house, making sure that costly possessions, including jewelry and collectibles are recorded. Store a copy of your inventory on the cloud and/or on a flash drive stored offsite in safe deposit box.

Schedule time with your wealth advisor. If you don't have a comprehensive financial plan in place, or it's been more than a year since you've reviewed your plan, schedule time to meet with an experienced wealth advisor to discuss the things that keep you up at night. Be sure your advisor has access to the type of sophisticated planning software and tools that can provide scenario planning in real-time, helping you make informed decisions for today and tomorrow.

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