

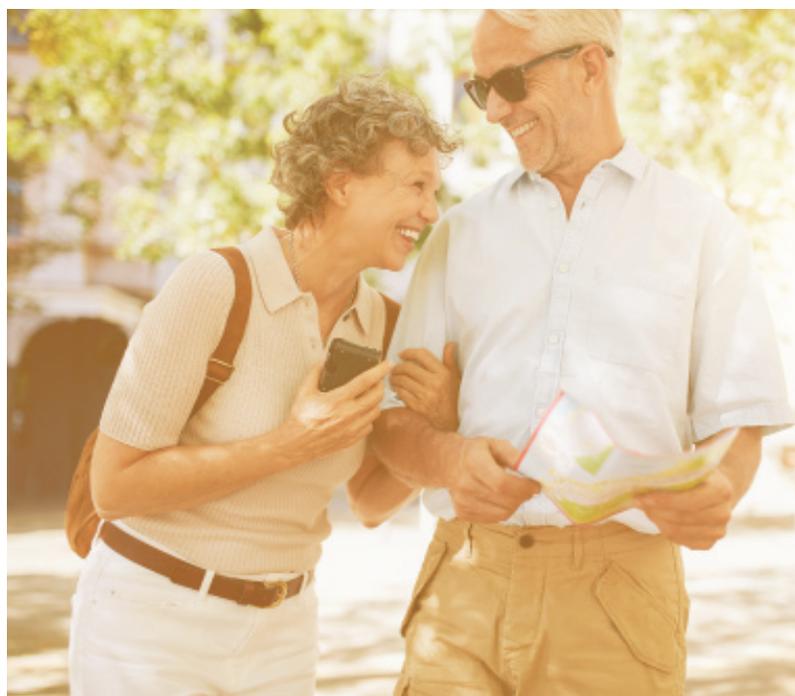
# In Transition:

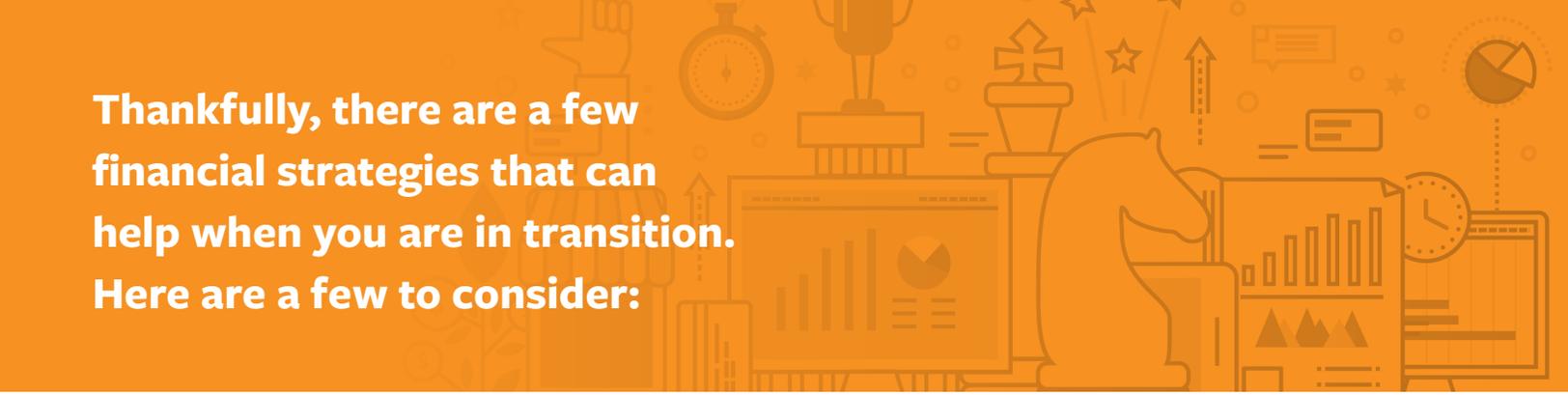
## Coping with Big Life Changes

The one constant in life is change. Whether your child is graduating from college or getting married, whether you've inherited assets, recently divorced, lost your job, lost your spouse, remarried, or been diagnosed with an illness, life comes at you fast. These changes often make us feel out of control, and that can lead to stress.

In reaction to stress, it is not uncommon for women to cope by focusing on other people's needs, while ignoring their own. "Self-sacrifice in relationships is how many women enter stress," says Carl Pickhardt, PhD, a psychologist and spokesman for the American Psychological Association.<sup>1</sup> Women are more likely to deal with stress by "tending and befriending"—that is, nurturing those around them and reaching out to others.<sup>2</sup>

The challenge with these coping mechanisms is the lack of focus on what you need. From a financial perspective, the consequences can be significant. For example, months of unpaid bills and overdue notices can quickly destroy a lifetime of good credit. Impulsive decisions—expensive vacations, gifting, or hastily buying or selling major assets like your business, home, or stock portfolio—can leave you with major regrets, tax liabilities, and a diminished net worth for years. Well-meaning friends and family may also confuse the situation by sharing conflicting advice.





**Thankfully, there are a few financial strategies that can help when you are in transition. Here are a few to consider:**

## **Buy Time**

Defer all but the most essential decisions for a year. You may want to seek professional advice on which decisions you simply can't postpone, but in general you want to give yourself the time to work through your transition. If keeping on top of your monthly financial paperwork becomes unmanageable, for instance, you may want to engage the services of a personal concierge or bookkeeper.

## **Buy Flexibility**

Now is not the time to commit all your cash to long-term investments or pay off your mortgage. Keeping liquid assets, such as cash and short-term investments, gives you the flexibility to make decisions later, when there's more equilibrium in your life. A year in the future, your needs may be quite different. Again, objective professional financial advice may help.

## **Take Care of Yourself**

You are more likely to make sound, thoughtful financial decisions when you are rested, healthy, and at peace with your stage of life. Eating well, making time for a daily walk or other exercise, and carving out time for quiet meditation, warm baths, or other soothing activities are proven techniques for coping with life's stressful moments.

## **Mitigate Your Vulnerability**

Many women unknowingly broadcast emotional vulnerability during a transition. Unfortunately, unscrupulous people sometimes take advantage. Be careful about the people and services you engage to help you.

## **Talk to Your Financial Advisor**

Your financial advisor can be a great sounding board for any decisions that may affect your financial picture. Your advisor will be able to provide guidance on the long- and short-term affects of various decisions and ensure that your financial plan is reflective of your current and future goals. Don't hesitate to involve your advisor, and seek out his or her help during your transition. We're here to help.

<sup>1</sup> "Why Men and Women Handle Stress Differently." WebMD. 2017. <https://goo.gl/oHxD6D>

<sup>2</sup> "Biobehavioral Responses to Stress in Females: Tend-and-Befriend, Not Fight-or-Flight." American Psychological Association. 2000. <https://goo.gl/6SX4cW>