

Punch

A BOUTIQUE INVESTMENT ADVISORY

Wealth Strategies Group

An Introduction to Password Managers

Maximizing Efficiency and Security

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Coming out of the pandemic and getting back into a faster-paced routine, I now have more demands on my time. When life slowed down two years ago, I gained a deeper sense of the importance of making minutes count with family and friends. We all know how valuable time is, and using a password manager is one way I have been able to create margin. According to experts, the average American spends 12 minutes per week resetting passwords (11 hours per year!). Password managers provide a direct solution to this challenge and are also an added layer of identity protection.



What is a Password Manager?

A password manager is an app on your phone, computer, or tablet that allows you to securely save a multitude of passwords and other personal information. The user needs to remember a master password to access the stored information. Providers of these tools may offer a free version as well as a paid version, depending on the level of service you prefer.

The Benefits of a Password Manager

1. Creates secure passwords

A secure password is at least 12 characters long, is a combination of letters, numbers, and symbols, and does not consist of any personal information. When choosing a strong password for each unique website, creating a password of this caliber can be daunting. Most password managers will generate a highly secure password on your behalf with stringent requirements. Furthermore, each password generated will be different; this is a KEY factor in maximizing login security. For example, if you use the same password for your email account and your bank, and if someone were to gain access to it, all your most vulnerable information could be compromised within minutes.

2. Eliminates time wasted resetting passwords

Password managers eliminate the frustrating experience of having to continually reset individual passwords. You simply log in to your password manager to view your current password for a specific login.

3. Provides organization during difficult times

Using a password manager provides a benefit when managing incapacity or administering an estate. Password managers may provide access and visibility for family members or designated representatives to your digital property. Many online service providers will not allow legal representatives to access or reset an individual's password,

making it impossible to gain access to pertinent information on behalf of a loved one. Some password managers will allow you to share digital property access with fiduciaries and family members. This access and organization simplifies managing resources during challenging times for your family.

Barriers to Adoption

Who has time to enter all this information?

For most, the idea of entering all their login information into a password manager seems overwhelming. However, like every successful investment, short term diligence provides long term reward. It doesn't need to happen all at once. Start by adding critical accounts such as your bank and email login information. The rest will follow as you log in gradually over time.

Why would I store all my passwords behind only one password?

Another hesitation people have relates to the use of a single master password. Although a valid concern, most password managers offer a solution to this issue. This scenario occurred when LastPass, an online password manager, reported a breach, but no customer information was stolen. The master passwords for individuals were not obtained by the perpetrator because LastPass, like most password managers, does not store master passwords, reaffirming the added layer of security password managers provide. What happens if you forget your master password? No problem. Most password managers offer an authentication process to reset your master password or access your stored information.

Choosing a Password Manager that Works for You

With numerous options on the market, deciding which password manager to use can bring on choice overload. Passwordmanager.com provides some considerations to keep in mind when researching:

1. Your first consideration should be security.
2. Look for strong encryption measures, such as two factor authentication.
3. Is it compatible with the hardware and software you use?
4. It should be easy to use and offer additional features such as sharing certain accounts with family members, etc.
5. Price.

Examples of password managers include eWallet, LastPass, Dashlane, and 1Password.

Conclusion

Password managers provide the gift of time and an additional layer of security in the identity protection battle. Ever since I started using a password manager, I have freed up more time for family and friends. I hope this inspires you to embark on the process of bringing a password manager into your life. The Punch team is happy to have a conversation regarding internet security, and we encourage you to reach out to us with any questions. ♦