

Money Matters
Common Sense and Professional Advice

Leaving It All Behind

by
Sue Peterson, CFA
Managing Director, Cornerstone Advisors, Bellevue, WA

**It's yours to give;
are you bold enough to do it now and
enjoy the fruits of your labor?**

St. Paul wisely wrote in 1 Timothy 6:7, "For we have brought nothing into the world, and so we cannot take anything out of it. If we have food and covering, with these we shall be content."

One could argue that this verse is the basis of the common cliché, "You can't take it with you." Intellectually, we would probably agree, yet our money and our "stuff" have often helped define our lives to our family, our community and ourselves. They help prove that we

are (or were) successful, that our efforts mattered, that we chose well.

As a wealth advisor, I understand how deeply rooted our personhood can be in proof of financial success. Yet as we age, one of the most courageous acts we can take is to begin intentionally reducing the size of our estate and prepare for that time when you leave it all behind. Easier said than done, but this four-step process will give you a good roadmap for this part of your financial journey.

1) How Much Can You Give?

First, consider how much you *really* need. A wealth advisor can help model the sustainability of your lifestyle and the corresponding asset base you will need to support it. This will shine a spotlight on where there is excess that can be thoughtfully given away to family or charity (or spent without worry!) during your lifetime.

2) Dare to Give Now

I often encounter objections to this idea of making gifts of your estate to family while you are still alive. I hear that children and grandchildren cannot be trusted to spend the gift wisely or that the gift might spoil them. This is another opportunity to be courageous.

The dictionary defines a gift as a thing given willingly to someone *without payment*. So dare to be disappointed! Dare to be surprised! Above all, don't forget that you too at one time in your life had to learn to be a good steward of your finances. Better for your family to learn with small amounts while you are alive than have no experience when it comes time to handle a larger inheritance.

Consider also the charities that you want to enable to carry on their work long after your passing. Wouldn't you receive much more joy helping them out

while you are alive rather than leaving only a bequest? Again, with the aid of a wealth advisor, you should be able to determine how much you can comfortably give away now.

For more than 20 years, I served a retired CEO and his wife with an eight-figure portfolio. Upon her husband's death, the widow would write \$25 checks to dozens of charities at year-end, fearful that she didn't have enough to give more. When I was able to help her understand that, logically, she could give significantly more and still maintain her lifestyle, fear turned into serious philanthropy. She ended up happily giving over \$1 million to charity before her death.

3) Face the Facts and Get Organized

It takes courage to prepare for your own death. That's pretty blunt, but we all know it's a question of when, not if. The majority of us want others to think well of us, to consider our lives to be organized and well-managed. Yet time and time again, this desire breaks down when it comes to facing our future passing. One of the biggest and most loving gifts you can give your family is to organize your affairs so the process of probating your estate doesn't fracture relationships.

What's involved? Of utmost importance, have current estate plans, a will or revocable trust, that clearly states your wishes for who receives your assets and which individuals carry out this responsibility. Review the beneficiaries of your retirement accounts with your attorney so they align with your estate plan as these assets pass outside of probate.

4) Write it All Down

Complete the Checklist for Life (download a copy at tinyurl.com/wise-checklist) so your executor knows how to locate all of your assets, including online user names and passwords. Prepare a Disposition of Tangible Personal Property to eliminate family members arguing about who gets Grandma's tea service or other family heirlooms. Execute a Directive to Physician and consider completing a POLST form (Physician Orders Life-Sustaining Treatment). (Find the form at www.polst.org.) Finally, complete a Directive for the Disposition of Your Remains.

Leaving a legacy to our family and community is a great intention. Be courageous and make it a goal in 2015 to take the necessary steps to make that intention a reality. ♦

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