

SUCCESSFUL WOMEN

TIMELY INVESTMENT AND FINANCIAL PLANNING TOPICS



It's complicated

Modern families may confront a few extra challenges when planning their estate.

As times change and social norms continue to evolve, families are becoming increasingly varied in their dynamics. We don't all look like the conventional nuclear family once famously depicted in "Leave it to Beaver."

With these new realities – including the legalization of same-sex marriage, an increase in non-married couples, advances in reproductive technology and a steady divorce rate – it's important to ensure your estate plan accurately represents the specific needs of your family and the goals you have for your loved ones and your legacy.

AN ESTATE PLAN AS UNIQUE AS YOUR FAMILY

Your estate plan should address your family in its entirety – however large or complicated it may be. With about 50% of

marriages ending in divorce, this holds true for blended families in which there may be one or more former spouses who may lay claim to family wealth. Some states will automatically revoke a will that names a former spouse as an heir or lists an ex as power of attorney, but you may need to include a provision as part of your divorce that removes or outlines your ex's fiduciary role, if any, especially if he or she is still listed on an irrevocable trust for your children.

More and more often, couples are choosing to live together without getting married, sometimes to avoid the need for a prenuptial agreement. If this is the case, have you thought about naming your partner as beneficiary? Have you put the safeguards in place to ensure your longtime love isn't left out?

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It's complicated (cont.)

ACCOUNTING FOR THE KIDS

These days, children can become part of a family in seemingly endless ways – adoption, remarriage, in vitro fertilization and even as posthumous births, in and outside of marriage. The key is to think through who should inherit what in a way that feels equitable. While that may feel intuitive, keep in mind that families have found themselves embroiled in expensive and emotional legal battles when potential inheritances seem unfair. Consider carefully the implications of your decisions for all your biological and adopted children, stepchildren, informally “adopted” children and anyone else who you believe should benefit from your estate, and make sure your wishes are thoroughly documented.

ADOPTION

If there are adopted children in your family, make sure they are accounted for in your estate and trust documents according to your wishes. While adopted children are now legally treated much the same as biological, that has not always been the case. Especially with multigenerational estates where old documents could still be in use, be sure to thoroughly review and revise as needed.

ASSISTED REPRODUCTIVE TECHNOLOGY (ART)

With the life-giving advances in reproductive technology, new opportunities for complications in your estate are also a possibility. But proactive planning can once again help make sure your wishes are respected and upheld.

In cases where donors or surrogates have been used, such as in vitro fertilization or implantation via surrogate, there is the potential for those individuals to claim certain rights if not preemptively addressed. Work with your advisor to clearly define the role of each individual who played a part in bringing your children into your life. While contracts are usually put in place before these procedures to outline those kinds of details, it is still wise to make sure this issue is fully addressed in your estate plan.

POSTHUMOUS REPRODUCTION

Posthumous birth occurs when a parent passes after a child is conceived. And with cryopreservation, it's now possible for a child to be conceived and born after the death of one or both parents. If you or your spouse has preserved genetic material, it may be worth addressing this highly personal and sensitive matter in your estate documents.



Rather than something set in stone, think of your estate plan as a living document that should evolve as your life does. While the process has the potential to be incredibly complex and daunting – with thorough planning and the guidance of your financial advisor – it can also be a great source of assurance that your wishes will be honored down the road. ■

NEXT STEPS

- Review any outdated estate planning documents that don't reflect your current family dynamics.
- Let your advisors know if anyone in your family recently experienced a marriage, death, birth or divorce.
- Work with your advisor and estate attorney to make any necessary updates to your estate or trust documents.



Small steps to a better you

What does it mean to invest in our health? While eating that apple a day is still a great idea, there are many factors, including things you already do and enjoy (like sleeping comfortably and spending time with family), that can nourish your mind, body and spirit. Small tweaks to already established habits may be enough to return your investment and enhance the quality of your life.

MIND OVER GENES

It would be understandable to assume that the physical characteristics and DNA you're born with reign superior, however some healthy lifestyle changes – including eating better, exercising, managing stress and devoting more time to loving relationships – have actually been shown to change the way your genes are expressed for the better.

In his Ted talk, Dr. Dean Ornish – founder of the nonprofit Preventive Medicine Research Institute – shares that in a study on men with prostate cancer, more than 500 genes were favorably changed when participants made comprehensive lifestyle changes. That means they were able to “turn on” disease preventing genes and “turn off” the disease promoting ones.

BRAINY AND BETTER LOOKING

It's also been found that when people lead a healthier lifestyle, the brain gets more blood flow and oxygen and actually grows. In a study published in Nature Neuroscience, participants who walked three hours per week over three months developed enough new neurons that their brains measurably increased.

THE RESTORATIVE POWERS OF SLEEP

Sleep has been credited with a litany of beneficial side effects including improvement of short-term memory and better mood, relieving symptoms of anxiety and depression. In a study of more

than 900 women, a bad night's sleep affected their happiness as much as pressing work deadlines and differences in income.

Sleep influences our physical health, too. You might be active, but a lack of sleep could keep you from building muscle. A study of women published in Clinical and Experimental Dermatology found that well-rested skin was better able to recover from ultraviolet light exposure than participants who slept five hours or less.

KEEP YOUR FRIENDS CLOSEST

There's a reason you've heard the phrase “support system” throughout your life. As social creatures, it's proven that we benefit from our relationships, be they romantic, familial or friendships – but exactly how important are they?

Just like sleep and healthy eating, quality relationships greatly influence our happiness and longevity. In one particular study, researchers found that those lacking strong relationships faced an increased risk of premature death by 50%. This rate is roughly similar for those who smoke up to 15 cigarettes a day, and greater than obesity and a lack of exercise.



If you're looking to boost your health, no step is too small to incorporate whether it's scheduling a family game night or going for walks around the block. And who knows? Taking those measures could even help you save healthcare dollars down the road, allowing you to put them toward the things you care about most. ■

NEXT STEPS

- Want to exercise more? Recruit a workout buddy.
- Feeling social? Consider joining a book club or scheduling a standing date with friends.
- Want better sleep? Research “sleep hygiene” to see if your nightly routine has room for improvement.



Nurturing moneywise children

Teach your children to treasure their financial legacy.

Parents often emphasize the importance of education to their beloved children. The rewards are obvious. Yet, all too many forget to bolster that education with real-world financial information that can be passed along for generations to come.

The good news is it's never too early to share financial wisdom, to teach your children the value of money and how to care for their financial legacy. In fact, the sooner you start the better. When they're on their own, you'll have the comfort of knowing they understand and appreciate the power of financial planning and the role money plays in their lives.

AN ESSENTIAL SKILL

Like reading, financial literacy is an essential skill. Unfortunately, it's not typically taught in school. It's up to the parents to pass on their financial knowledge to ensure the next generation is capable of taking care of the wealth they've built.

Financial lessons can start as early as the toddler years and extend through middle age, when your adult children will need to know as much as possible about your financial life. Conversations should focus on holistic planning, saving and spending. It's about how you build wealth and what you do with it to achieve your goals. You might be able to use real-life examples, like a new home purchase, to explain a particular financial lesson.

It seems obvious, but the best way to pass on your own financial literacy is by example. Parents need to establish themselves, early on, as moneywise adults. Just as

unhealthy, bad habits get passed on to children by example, so too can risky money management techniques. The next generation may struggle to overcome poor habits they've been taught over the years.

A FAMILY AFFAIR

Grandparents also have a role to play, as long as what they pass along is in line with your values and attitudes toward money. They often have insights, gained from years of experience, that can be shared. You may even learn a thing or two as you build your family's financial legacy together.

While products such as trusts and wills can help ensure your wishes are carried out, they can't give your heirs the true understanding of how to save, grow and spend money wisely. In fact, if your children are going to receive a sizable inheritance, they may get overwhelmed by sudden wealth without a solid foundation to rely on. It's also a good idea to introduce your children, when they're ready, to your financial advisor and other professional partners, so they'll know where to find expert guidance when dealing with money issues. ■

NEXT STEPS

- Work with your child to create a sample budget.
- Do they receive an allowance? Encourage them to save for something special.
- Share your own financial experiences, past and present, to keep the conversation going.