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By Jim Zientara

## **Make your choices**

Life is filled with choices. Those choices bring consequences that you may or may not like.

A friend of mine often talks about the mechanic who builds race engines. The mechanic chose to build a very powerful engine that could propel a car at breakneck speed.

When that engine is mounted in a car, it is a sight to behold. The mechanic made great choices.

The engine was mounted in a car sitting on blocks with no tires. The consequences were that he forgot a few parts because no one was there to suggest tires might be a good addition.

The same happens in the investing world. There are those who choose to do investing themselves or rely upon a purchased computer program or a program provided by a brokerage company.

The transactions are low cost, and it's great to brag about the investments that did well. Naturally, it's customary to not mention those investments that did not work out well.

Performance may be your goal. Since you feel you are one of the smartest of investors, what happens if you die or become mentally incompetent? Can your beneficiaries or significant other continue in your footsteps?

Even if you wrote down the steps to follow, is your beneficiary willing to and capable of following them? Or are they going to trust a stranger or a family friend to help out?

I feel it's important for you and those that follow to have a plan in place that you can test and fine tune before you're gone.

Is it too difficult to think about dying, or are you not interested in what happens to your estate? Then just leave everything to the kids and hope they'll handle their inheritance well.

Your money probably didn't grow on trees. You may have eaten at early-bird dinners, shopped for BOGO, clipped coupons, paid taxes, and worked hard.

Now you're going to turn over your assets to someone who may not have your same ethics.

As you may know, many who win the lottery declare bankruptcy. They just can't handle the money properly. So you think your kids will?

The kids could send your assets to unscrupulous salespeople that have a great land opportunity in a foreign country. Or they could invest in a new start-up company that is developing the next smartphone.

Many people still try to do-it-yourself.

There are forms on the internet for you to write your own will. The companies claim they do work, but I don't know. It would be a mess to have your Plan A thrown out by the judge in probate court. Since you're dead, what is Plan B?

It's better to have an attorney draw up the legal documents so you have less to worry about. Pay the attorney his fee. He earned it and helped you. The attorney will then work with your beneficiaries.

What you really need is a plan that is written and reviewed by several people to make sure it's what you want and it can be done.

If you have special needs, you might need your attorney to draw up a trust and other documents.

Do you have an elderly parent or child needing help? Do you have a fear of running out of money in retirement or not being able to take care of yourself or those in need?

You may feel that market performance is your goal, but tell your attorney, tax advisor, and financial planner what keeps you up at night. Working together, your team of paid professionals may be able to feel more confidence.

Along the way are pitfalls and benefits. Do you have a 401(k) or an IRA with lots of money? Who is the beneficiary? Is it your ex or a child who is a spendthrift?

You can protect your estate with a Trusteed IRA Trust. It's a special trust drawn by an attorney and administered after your death by a bank or corporate trust company.

Meanwhile, your living revocable trust could handle non-401(k) or non-IRA situations. The trustee can be anybody, a bank, or a corporate trust company.

You have to trust somebody to do what's right for you now and after you die. Plus, you should try out your financial plan to make sure it works. Do it wrong, and your beneficiaries might suffer.

All this can be complicated. There is no second chance, so make good choices now.

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