

## **Our Financial and Estate Plan**

As the Financial Planner of successful families helping them make financial decisions, here is my financial and estate plan for my wife, Fran, and me. You may find fault with it, but it's our plan subject to updating and new ideas.

#1. Institutional asset management designed for growth of capital and income in a diversified portfolio to help fight inflation and provide liquidity.

The stock market goes up and down. The Dow Jones Industrial Average 20 years ago was about 5,400. Today it's about 17,500 with generally rising dividends.

Even with bumps along the way, that's impressive. Diversification does not ensure a profit or protect against a loss, but this is our effort to help fight inflation. I rolled over my 401(k) and pension to my IRA.

#2. Annuities with guaranteed lifetime income we can't outlive.

My wife and I own annuities with lifetime income benefit riders. Lately, we've been looking into fixed index annuities. Both may offer some asset protection and preservation of capital.

Annuities can have lifetime income benefit riders that are subject to the claims paying ability of the issuing insurance company. There are many annuity options available so talk to a financial planner about what kind of annuity is best for your individual needs.

#3. Section 529 of the I.R.S. Code for a college savings plan with tax-saving benefits.

My daughter, Amy, and I wrote an article in the *Bradenton Herald* of Bradenton, FL, on 12/01/2015 titled "The 411 about the 529." It sets up accounts to pay for approved educational expenses after high school for our four grandkids.

When money is withdrawn for qualified educational expenses, it is not taxed by the federal government. Certain state residents may receive additional advantages and benefits.

#4. Long-Term-Care insurance so we are not a financial or care-giver burden to anyone.

I wrote an article in the *Bradenton Herald* on 8/19/2014 titled "*Think again about long-term care, it's not just for the elderly.*" The latest figures from the Genworth 2015 Cost of Care Survey say the average Florida care cost per person is about \$262,000 over 3 years.

According to the survey, 70% of people turning age 65 can expect to use some form of long term care. We're trying to protect our nest egg from health issues.

#5. Life Insurance to create immediate funds to take care of my wife and family.

If I die prematurely, I'd like my wife and family to have lots of extra cash and feel financially secure.

"Dying can be expensive," says a funeral director I talked to recently. Life insurance can create immediate funds.

#6. Where to live in safety and security with long-term care options.

Our current home is not necessarily ready for our aging. It might take \$50,000 or more to widen the doors, install grab bars, wheel chair access, etc.

I wrote an article in the *Bradenton Herald* on 12/9/2014 titled “*Planning for longevity.*” It raised three questions; 1) who will change our light bulbs, 2) how will we get an ice cream cone, and 3) who will we have lunch with. Retirement centers may answer these questions.

#7. Estate, legacy, and charitable planning using a corporate bank trustee.

I wrote an article in the *Bradenton Herald* on 2/2/2016 titled “*You have to trust somebody.*” Being a former trust investment officer at two different bank trust departments, I like keeping our estate intact and governed by a bank as trustee instead of a wealth transfer to the heirs.

We had an attorney draw up living revocable trusts and other documents. The bank acts on our behalf as a fiduciary following our written trust instructions. All of our various accounts are aggregated at Raymond James to minimize the cumbersomeness; inconvenience; or lack of continuity when accounts are held at multiple entities.

If you think you’re financial and estate plan is better or has unique features, I’d like to see it. Don’t have a plan? Why not? There really is no excuse.

If you would like copies of my various published articles, just call me.

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*Life insurance and Long-Term Care insurance: Guarantees are based on the claims paying ability of the insurance company. These policies have exclusions and/or limitations. The cost and availability depend on factors such as age, health and the type and amount of insurance purchased. As with most financial decisions, there are expenses associated with the purchase of life insurance and LTC insurance. Life insurance policies commonly have mortality and expense charges. In addition, if a policy is surrendered prematurely, there may be surrender charges and income tax implications. Past performance is not indicative of future results. Keep in mind that individuals cannot invest directly in any index, and index performance does not include transaction costs or other fees, which will affect actual investment performance. Individual investor's results will vary.*