**Six Ways to Get Your Financial House in Order in 2020**

Many families think they have a sound “financial plan” because they own investments or have established a saving strategy for retirement. This is a good start but it’s incomplete. There are many components to ensuring your financial future and getting your “house in order” is the first step. What do I mean by that? I’d like to share 5 ways you can accomplish this. Let me explain…

Do you know what the three leading causes of death are in the United States? Many people correctly guess cancer and heart disease as numbers one and two. What is number 3? Accidents? Alzheimer’s? Strokes? You may be surprised to learn that the third leading cause of death in America is medical malpractice! The doctor’s fault? Nope- our fault. We go to the hospital totally unprepared. The average American over the age of 65 will take 11 different prescription drugs this year. You’re in an accident and brought to the hospital, the hospital administers a pain reliever and the combination of what you are taking and what they have given you- kills you. Have you ever had a heart attack? Do you carry nitroglycerine with you? Have you been warned that the combination of Cialis and Nitro will kill you? Is this a risk you are willing to take? Or maybe when they ask you what prescriptions you are taking you mispronounce Omicor when you meant Amicar. Yes, medical malpractice is third leading cause in America. We don’t want this to happen to you, so it is time to get your house in order!

**Resolution number 1..Don’t go to the hospital unprepared!**

1) Do you remember the story about Terri Schiavo? At 26, Terri had a massive coronary, was resuscitated but experienced irreversible brain damage that left her in a coma. Fifteen years later, the Supreme Court made the final decision to remove the feeding tube. This long-term ordeal would not have happened if a simple healthcare directive and a living will had been in place. A misconception we frequently encounter is that healthcare directives are only for older adults. We’ve seen clients experience unexpected, lifechanging circumstances at all ages and believe that health care directives should be a priority for everyone. Please don’t let this happen to you or a loved one. Please get your house in order.

**Resolution number 2..Sign a healthcare directive and living will.**

2) What do Steve McNair, Abraham Lincoln, Pablo Picasso and the musician Prince have in common? They all died without a will. Steve McNair’s mother was removed from the house he had given her because there was no will to prove he had given it to her- I’m pretty sure that was not his intent. Having this document is essential to ensuring your wishes are carried out but it is one of the most frequently postponed documents to be put in writing. Your will protects you and ensures that your future wishes for your estate are carried out. According to the Virtual Attorney, 32% of Americans would rather do their taxes, get a root canal, or give up sex for a month than create or update their will! Even though we are not attorneys, we can help you facilitate this- let you help you get your house in order.

**Resolution number 3..Create or update your will.**

3) In 2005, Anne Friedman, a former school principal, died suddenly of a massive heart attack. She had accumulated over $900,000 in her Teachers’ Retirement Fund but never named anyone as her designated beneficiary. By law, her surviving spouse would have been entitled to the money. However, in 1978, in a previous job, before she was married, she had filled out a designated beneficiary form naming her mother, her uncle and her sister as her designated beneficiaries. Her mother and uncle had since passed away, but her sister was still living. By law, the sister was entitled to the money, which she received, and didn’t share a dime with the now destitute husband. We see this every day. Proceeds from Life Insurance, 401(k) plans, and IRAs are being left to the wrong beneficiaries because the owners never thought to update them. Your financial documents must be regularly reviewed and evaluated as your life evolves, particularly when it comes to your beneficiaries. Marriages, divorces, births, deaths and other major life events can all warrant changes. These documents are too important to leave unattended. Let us review these for you.

**Resolution number 4…. Review and update beneficiary designations with life changes**

4) How many of you own a business? How about those of you that have a real estate investment? Better yet, how many of you have children driving a car? Do you have proper insurance? Have you fully limited your liability? Are your investments titled properly to limit liability? If you have trust documents, titling of property, insurance coverage(s) and other liability documents, also need to be regularly reviewed. We can help you do this.

**Resolution Number 5... Regularly review legal/liability documents:**

5) Frederick Vanderbilt, J.D Rockefeller, JP Morgan, Franklin Roosevelt, and Elvis Presley all died without an estate plan. Please re-read that list. Some of the most successful, intelligent, and powerful people in America did so much for so many- they failed, however, to protect all of the wealth they had created. Although we can’t predict the future, it’s important to have a comprehensive plan in place for how your money and other assets should be distributed when needed. Your life stage will determine the needs of your estate plan. If you’re young and single, your plan may only include a few items, such as a will, beneficiary designations and medical and financial powers of attorney. If you have substantial wealth, you may need one or more trusts to control how your assets are taxed, managed and distributed.

6) **Resolution Number 6... Establish an Estate Plan.**

It’s critical to remember that financial planning is not solely based on investment planning or picking the right investments. While this must be done properly, there are many other vital areas that get overlooked or forgotten. Keep your financial house in order by regularly reviewing your plan and ensuring that you have the fundamentals in place. By this time next year, you’ll be glad you did.

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