



Friday, January 15, 2021

### Ideas for Thanking Your Family

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Although 2020 may have been a difficult year for you, as it was for many people, you can probably still find things for which you can be thankful—such as your family. How can you show your appreciation for your loved ones? Here are a few suggestions:

*Invest in your children's future.* If you have young children—or even grandchildren—one of the greatest gifts you can give them is the gift of education. You may want to consider contributing to a higher education funding vehicle.

*Be generous.* Do you have older children, just starting out in life? If so, they could use a financial gift to help pay off student loans, buy a car, or even make a down payment on a home. You can give up to \$15,000 per year per recipient without incurring gift taxes. Of course, you don't have to give cash; you could also consider presenting your children with shares of stock in companies they like.

*Review your insurance coverage.* If you weren't around, it would leave some gaping holes—financial and otherwise—in the lives of your family members. That's why it's essential you maintain adequate life insurance. Your employer might offer a group plan, but it may not be sufficient to meet your needs. There's no magic formula for determining the right amount of coverage, so you'll have to consider a variety of factors: your age, spouse's income, number of children, and so on. Also, you may want to consider disability insurance to prepare for a situation where you were unable to work and support your family.

*Preserve your financial independence.* When your children are young, you take care of them. But you certainly don't want them to have to do the same for you, so it's essential you maintain your financial independence throughout your life. You can do this in a couple of ways. First, consider investing regularly in your 401(k), IRA, and other

retirement accounts. The greater your resources during your retirement years, the less you may need to count on your family. Second, you may want to protect yourself from the devastating costs of long-term care, such as an extended nursing home stay. A financial professional can suggest a strategy to help you cope with these expenses.

*Create an estate plan.* You don't have to be wealthy to leave a legacy to your family, but you do need a comprehensive estate plan. You'll have to think through a lot of questions, such as: Have I named beneficiaries for all my assets? How much do I want to leave to each person? Do I need to go beyond a simple will to establish an arrangement such as a living trust? For help in answering all these issues, you'll want to work with an attorney.

By making these moves, you can show your loved ones, in a tangible way, how much you value them—and that can help you keep the spirit of gratitude and generosity alive all year long.