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## How Can You Leave the Legacy You Desire?

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You may not see a greeting card in your local drugstore titled, "Congratulations on leaving the legacy you desire." However, it's a good time to think about the legacy you'd like to leave.

Of course, "legacy" can mean many things. In the broadest sense, your legacy is how you will be remembered by your loved ones, friends, and the communities to which you belong. On a practical level, establishing your legacy means providing your family and the charitable organizations you support with the resources you'd like them to have.

And that means you may need to take the following actions: create your plans, communicate your wishes, and review and update your documents.

Let's take a quick look at all these steps:

- **Create your plans.** You will want to work with your legal professional, and possibly your tax and financial professionals too, to draft the plans needed to fulfill your legacy wishes. These plans may include drafting a will, living trust, health care directive, power of attorney, and other documents. Ideally, you want these plans to do more than just convey where you want your money to go—you want to impart to the next generation a sense of the effort that went into building the wealth they receive. Without such an appreciation, your heirs may be less than rigorous in retaining the tangible legacies you've left them.
- **Communicate your wishes.** It's important to communicate your legacy-related wishes to your family members as early as possible. By doing so, you can hopefully avoid unpleasant surprises and hurt feelings when it's time for your estate to be settled. You'll also let people know what tasks, if any, they need to perform. For example, if you're choosing a family member to be the executor of

your estate or if you're giving someone power of attorney over your financial or health-related matters, they should be prepared.

- ***Update your documents.*** During your life, you may experience any number of changes—new marriage, new children, opening a family business, and so on. You need to make sure your legal documents and financial accounts reflect these changes. For example, if you've remarried, you may want to change the beneficiary designations on your IRA, 401(k) and other retirement accounts. If left untouched, these designations may even supersede the instructions left in your will. And the directions in life chosen by your grown children may also dictate changes in your will or living trust. In any case, it's a good idea to review all your legacy-related documents periodically and update them as needed.

In addition to taking the above steps, you also need to protect the financial resources that go into your legacy. When you retire and begin taking funds from your IRA, 401(k), and other retirement accounts, make sure your withdrawal rate is sufficient for your living expenses, but not so high that it eventually jeopardizes the amounts you planned to leave to your family or to your preferred charities. A financial professional can help you determine the withdrawal rate appropriate for your situation.

With careful planning and by making the right moves, you can create the type of legacy you desire—one that can benefit your loved ones far into the future.