RETIREMENT

I'm a Wealth Adviser: The Most Precious Gift You Can Leave Your Family Is an Organized Financial Life

We owe it to our loved ones to consider what will happen when we pass away. Taking care of our own paperwork now will spare them time, stress and money later.

You are the chief financial officer of your household. Big title, big responsibility. Day to day, you're juggling bills, work, family … life.

But what if something happens to you — or you and your spouse or partner? Who steps in? Will they know how and where to start?

Most of us avoid these questions. They're depressing. They're overwhelming. But they're not going away. We might think we have all the time in the world, but life happens fast and things don't always go according to plan.

Consider, for example, that the average age of widowhood in the U.S. is 59, according to figures attributed to the U.S. Census Bureau.

Here's what I tell my clients, friends and family members: Getting your financial life organized is peace of mind for you right now and a lasting gift to the people you love.

And here are seven ways to get your financial life and estate plan in order — and make things easier and less stressful for your loved ones in the future.

1. Cover the basics first and enlist professional help if needed

You should have in place a will, any applicable trusts, medical directives, financial power of attorney, guardianship for dependents, clear end-of-life wishes and up-to-date beneficiary designations on all applicable accounts.

Beneficiary designations often override what's written in your will, so it's critical to review them regularly and keep them aligned with your wishes.

Hiring an estate planning attorney is ideal because they will be most familiar with the laws in your state and will think of situations you might not. Ask your friends, family and financial adviser who they recommend.

NYSUT NOTE: Need assistance with estate planning or other legal matters? The NYSUT Member Benefits Trust-endorsed Legal Service Plan provides access to experienced attorneys who can assist with wills, powers of attorney, health care proxies, and a wide range of personal legal matters.

2. Keep paperwork and passwords all in one place to save time and stress

Did you know it can take an average of 540 to 570 hours to close out a loved one's estate? If you spent an hour a day, it would take a year and a half to complete this labor of love.

Keeping all your important documents in one place, like the ones listed above, as well as mortgage documents, bank and investment accounts, loans, titles, deeds, taxes and passwords, can save months of work.

Organizational systems, such as the Nokbox or the estate planning kit from AARP, can create clarity for you and remove stress for your heirs.

3. Discuss your final wishes early and often, then put them in writing

Letting your family know about your final wishes provides peace and security during a time of grief. You may think avoiding these topics spares your family from pain, but actually the opposite is true.

Children want to know whether their parents wish to be buried or cremated, for instance, or whether they would want a funeral or memorial service, and who they would like to inherit their treasured possessions.

Discussing it ahead of time also prevents arguments with other relatives later on.

After you have these talks, write everything down and keep it with other important documents in your organizational system. Don't forget to tell someone where you keep the organizational system. Think of this as a practical love letter.

4. Name your decision-makers

You can designate someone as your healthcare power of attorney to make medical decisions if you aren't able to advocate for yourself. Spouses usually choose each other as the primary, but you can choose anyone 18 or older.

You can also name successor powers of attorney if your first choice is unwilling or unable to step in when called.

This paperwork is often completed at the same time as making a will and choosing a financial power of attorney to make financial decisions or pay your bills in the event of illness or cognitive decline.

Pro tip: When your children turn 18, especially if they move away from home, consider putting these powers of attorney in place for them. This makes it easier and faster to make decisions that affect their well-being if they can't owing to illness or injury.

5. Don't forget to include all your vehicles in your estate plan

Remember that vehicles include not just cars, but anything with a VIN: Golf carts, boats, campers, trailers and motorcycles, for example. This includes the midlife crisis dream sports car that your spouse keeps parked at the vacation home.

Make sure your next of kin knows where titles and related insurance documents are located.

6. Don't forget keys, payment apps, digital footprints and tangible assets

Get all those loose keys out of the junk drawer and into a system where they can be labeled and organized. Do you use payment apps like PayPal, Venmo, Zelle or Google Pay? Tell your loved ones how to access those so your estate doesn't lose money.

Ditto for all your recurring online subscriptions and charitable donations.

For estate planning purposes, items like jewelry, art, antiques, firearms and storage units are all considered assets. Make sure you have current appraisal documents and other pertinent information in your organizational system.

7. Consider leaving a family mission statement

This may be the most meaningful gift of all — and it's not about money.

A family mission statement is about values. It can be as simple or as detailed as you want:

- What matters most to your family?
- How do you make decisions?
- What do you want future generations to understand about how and why you built what you did?
- Make it a conversation, not a task. Talk about it over dinner. Ask your kids what they think matters.

If you are gathering as a larger family at Thanksgiving or a reunion, for example, make time to talk about your mission.

Write it down together and revisit it over time.

In moments of uncertainty — especially after a loss — this kind of clarity can guide decisions in a way financial documents alone can't. It gives context to the numbers. It reminds your family not just what you had, but who you were.

Bonus tip: Fight the overwhelm

If this process feels overwhelming, start small. One document at a time. One conversation at a time. One drawer at a time.

All that matters is that you have a plan, a system and come from a place of love.

In the end, this isn't just financial housekeeping.

It's one of the most practical, thoughtful gifts you can leave behind — easing the burden on your loved ones and giving them something far more valuable than paperwork: Peace of mind.

This article was written by and presents the views of our contributing adviser, not the Kiplinger editorial staff. You can check adviser records with the SEC or with FINRA.

About the Author

Mary Ware, CFP®, CIMA®, CDFA®
Senior Wealth Adviser and Managing Partner, Carnegie Private Wealth

Mary Ware is an experienced senior wealth advisor and managing partner of Carnegie Private Wealth in Charlotte, North Carolina. It's her dream job because she gets to help individuals and families pursue their financial dreams. After 20 years in the business, she's enjoying seeing some of those long-term visions — graduations, once-in-a-lifetime vacations and retirements — become reality. Mary sees her role as helping her clients discover what's important to them, creating a plan for pursuing their goals and walking beside them as they do the work. She's upbeat and positive. She believes it's never too late to get started working toward financial goals.

Kiplinger