



THE DISTELFINK – Client Anticipating Retirement

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As I mentioned last week, I feel incredibly fortunate to have worked with so many wonderful families throughout my career. Some have been entrepreneurs, some have inherited their wealth, and some have enjoyed the sense of security in coming from some means, and then proceeded to be even more successful in their own right. A general observation that I will write about in greater depth later, is that the individuals who are most happy and secure with their wealth, are the ones most likely to best prepare their children and grandchildren for the financial responsibilities they will face some day. And those who have struggled, or felt guilty about the wealth they have managed, have also struggled in how to prepare, and share, with the next generations. I believe that to work with individuals and families is not just about focusing on the current financial situation, it is also about helping to prepare future generations to be enhanced by their wealth, not overwhelmed or constrained by it.

Now, let me introduce Gwen. Gwen is a highly educated Therapist and Facilitator. She has managed her own practice for twenty years, after working within other organizations and being a Mom, earlier in her career. Gwen embraces life with an infectious positive attitude and a gratitude for the good blessings it has brought her. In addition to the clients she counsels, she caught the entrepreneurial bug later in her career by joining forces with a group who is developing a product and an experience that are likely to be in high demand in the next year or two. Don't be surprised if you see Gwen and her colleagues on Oprah someday – their idea is that exciting!

Gwen surrounds herself with beautiful things in a lovely, orderly home. Not surprisingly, she could find all her financial records relatively easily when we started working together, but they didn't always make sense to her. The reason I started working with Gwen is because she wanted to take more control of her financial life, and she wanted to know when she could start thinking about retirement. Ideally, about a year after she appears on Oprah, there will be an IPO, and six months after that she can start peeling off her restricted stock! Planning more realistically however, I took Gwen through the process of preparing, what I call, a Financial Directory. We worked through all her financial statements, documents and policies. We catalogued and summarized the most pertinent information in one document for her to reference, and for her to share with her grown children should they need it someday. We copied that document to a memory stick, and in addition, we scanned her Will and other legal documents, insurance policies, and other valuable personal information to that memory stick. Periodically Gwen plans to update this information, but for now the Financial Directory resides as both an electronic and paper file, and the memory stick is stored in her safe deposit box. This is one of the approaches to organization we take at Weightman Wealth Advisory.

Now we are ready to embark on the educational phase, and progress towards ongoing guidance. Many of the decisions Gwen has made over the years have been very sound. However, we are perplexed by some insurance coverages, so we are exploring them in more detail; and we are discussing the rent versus buy opportunity regarding her home. In the course of addressing these issues, we are also looking at her savings and investments, what she can expect to receive from Social Security at different ages, and how long her practice will need to supplement those payments. There are no definitive answers yet today. But by engaging in the process of becoming more knowledgeable about her finances, maintaining what is working well, and exploring ways to improve other areas, Gwen is taking much more control of her financial life. Since she cannot control the direction of the stock market, nor the value of real estate, it does give Gwen some peace of mind to know that she is taking positive steps during these unsettling financial times.

Next week I'll be profiling a second generation family businessman who transitioned from always re-investing in the business, to creating a portfolio of marketable securities as well.

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