

# Suddenly Single

— CASE STUDY —

## *Planning for an Unexpected Loss*

*Sitting down and  
talking with a  
professional financial  
advisor allowed a  
married couple to  
realize the importance  
of communicating their  
financial situation  
with each other.*



Often times individuals are left to deal with unexpected circumstances. Planning for a loss can be difficult. Being prepared and communicating for future financial situations can give individuals a peace of mind. The following case study about Mark and Mary is an example of what could happen when opportunities are missed and plans are not made for the future.

### **NOTHING CAN GO WRONG**

Both Mary and her husband, Mark, retired at age 60 with dreams of traveling to new and exciting places. They also wanted to be involved in their grandchildren's lives. Mary was a nurse practitioner for many years before retiring. Mark had been an attorney and handled all the finances in the household, from the budgeting to the investing. At their retirement, Mark had a sizable IRA, which had been rolled over from his 401(k) at his previous employer. The two of them also had a large joint brokerage account along with their checking and savings account at a local bank. Mary had a decent pension from the hospital and had inherited her parents' house in an up-and-coming neighborhood.

### **A MISSED OPPORTUNITY**

At age 65, five years into retirement, Mark had a small stroke and was hospitalized. Mark recovered fairly quickly, but this scare prompted Mary to ask about their financial situation just in case something else happened to Mark. Mark agreed that a discussion was necessary. While at home, life remained busy. Outside of spending time with their grandchildren, Mark and Mary found their time being taken up by trips to see friends, golf, and attending local charity events. In no time at all, Mark and Mary had forgotten all about their promise to sit down and discuss their financial situation.

### **A LIFE-CHANGING EVENT**

Two years later at age 67, Mark passes away due to a massive heart attack. After the funeral, Mary spends several weeks grieving her loss. Unfortunately, the payments for the funeral and the "regular" bills show no sympathy. As they pile up, Mary continues to cope with the loss of her husband. On top of that, she is now forced to handle all the daily routines alone. This includes the finances. Every few days Mary receives another bill, investment statements, Social Security statements, and a number of other items requiring her time.

### **DON'T GET CAUGHT IN THE DARK**

Mary had difficulty finding the life insurance policies she was sure Mark had purchased and was unsure of the whereabouts of the key to the safe deposit box. Having never sat down to discuss their financial situation, Mary was overwhelmed and needed help. It is important to not let the flow of everyday life prevent you from discussing your finances with your loved ones. Being prepared may be the best medicine in a time of grieving.

*"Organizing all your vital information and paperwork helps you feel more confident and secure about your future".*

### COULD ANYTHING HAVE BEEN DONE IN ADVANCE?

After confiding in her close friend, Jane, about her financial situation, Jane referred Mary to a Financial Advisor. After meeting with them, Mary felt like the relationship was going to be a good fit. Mary needed a lot of advice to get her life back on track now that Mark was gone. Had Mary been a bit more persistent years ago, she could have been more aware of her financial situation and not so unprepared when tragedy struck.

### HOW TO BE PREPARED

**Ideally, both spouses should discuss their financial situation before an unforeseen event occurs. Below is a list of a few items that can help you be more prepared:**

- ✓ Prepare a list of your assets and liabilities.
- ✓ Know how your cash flows: (what money comes into your household and what goes out).
- ✓ Know what benefits you have:
  - Social Security
  - Pension
  - Life Insurance
  - Health Insurance
  - Veteran's Benefits
- ✓ Organize ALL your documents in your own "360 File Safe". Or at the very least prepare a list or a folder of important documents, account numbers, etc.
- ✓ Prepare a step-by-step action plan for the surviving spouse and even your heirs to know what things you have pre-planned.

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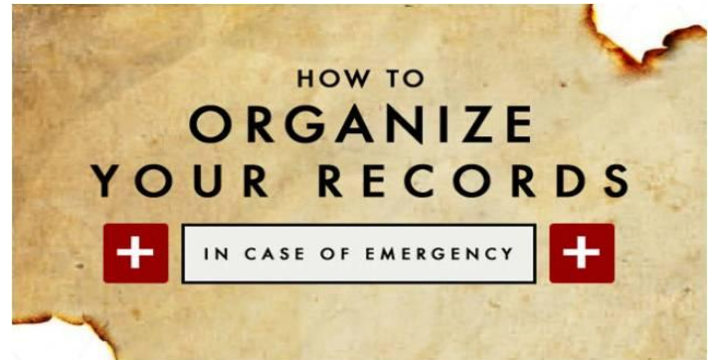
### YOUR "360 FILE SAFE".

The reality is that everyone needs to have all of their important information at their fingertips, so that when, not if, a natural or medical disaster occurs, informed decisions can be made and nothing falls through the cracks. Fortunately, organizing your important documents is not difficult, and once we help you set up your personal "360 File Safe" system it takes only a few minutes every year to maintain.

## Suddenly Single: Planning for an Unexpected Loss

When asked if you're organized, generally one of the following six answers (excuses) are heard:

1. "I'm too young to worry about that!"
2. "Of course I'm organized...it's all in my head! (and in a few folders and shoe boxes)"
3. "I know I need to get organized, but I just don't have the time."
4. "The thought of getting organized is so overwhelming and daunting that it's paralyzing. I wouldn't even know where to start!"
5. "Let someone worry about it after I'm gone."



***"If something were to happen to you, would your trusted family members or confidants know where to find your financial documents? Are your financial records organized in a safe place?"  
-SEC Investor Bulletin, Dec. 2012***

Organizing all your vital information and paperwork helps you in your overall financial planning process. While you are alive, it can act as a "bible" of your vital information for family members who need to access or assist you in your financial life. It will also help your heirs by making a difficult time as easy as possible for them.



As your financial advisor we can help you set up and maintain this important repository of information. Once we have completed your "360 File Safe" document file system with all your vital information, you will need to go over it and explain the organizer with a trusted family member.

*"Our goal is to help simplify your financial life so you have more time to spend on your quality of life and the things that matter most to you."*



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