

2018

WEALTHYMINDS

INSIGHTS FOR YOUR FINANCIAL WELL-BEING



**LEGACY
PLANNING:
HOW DOES
ONE ACHIEVE
THAT LOFTY
GOAL?**

LEGACY PLANNING: HOW DOES ONE REACH THAT LOFTY GOAL?



DON'T BE INTIMIDATED

By identifying both specific and broad goals, we can design an investment plan that goes beyond simple risk tolerance levels.

Planning of this nature can accommodate issues of liquidity and the timing of events, and we can use the wealth vehicles that best achieve specific aims. It's art as much as science, but always incorporates these three dimensions of goals:

- > **Basic needs**
- > **Lifestyle desires**
- > **Aspirational & legacy goals**

LEGACY PLANNING is only one dimension of looking at your goals, but it's a unique exercise in many ways.

Risk, to many investors, is the potential of not achieving your goals

This is a very different take on investor risk than the standard technical definitions, which usually look at measures of price volatility or maximum loss for a particular investment. It's a much more emotional definition, which connects to the central role that wealth plays in our lives. Money is emotional, like it or not. When we talk about our long-term wealth goals, they tend to be all of the things that humans are: multi-layered, aspirational, sometimes conflicted or messy.

Nowhere is this emotional component more apparent to us than in the legacy planning process. Legacy planning is only one dimension of looking at your goals, but it's a unique exercise in many ways. Not only does it force us to reflect on issues of mortality, it requires us to zero in on our deepest values, and the ways we would like to see those realized or acted upon in the world.

Common Threads

When we go through this exercise with clients, we hear three common themes again and again:

- **"I want to support my family."** The desire to support loved ones is often first in line. But that can take different forms depending on your values and your family's unique situation. For some families, that means designating wealth to pay for education, while others might wish to support heirs with more open-ended gifts to use for buying a home or starting a business. Still others might need to set up a highly structured plan to navigate difficult family relationships. While the intent is usually the same, the execution is always personalized.
- **"I want to support my community."** Another top-ranked desire is the wish to achieve something in the community, whether that means supporting an institution like a university or faith-based group, giving to specific arts programs, helping those afflicted by a specific issue—the possibilities are endless. These community aspirations often deepen as we get older and spend less time at work and more time involved with the people and causes around us.

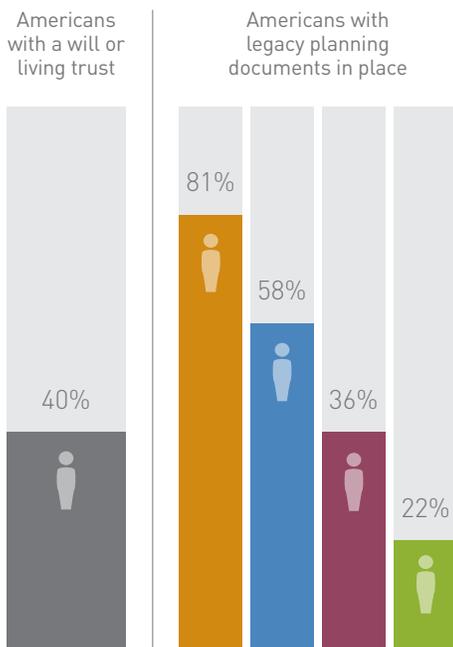
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LEGACY PLANNING: HOW DOES ONE REACH THAT LOFTY GOAL?

THE TIME TO PLAN IS NOW

Don't let your legacy fade.

- Ages 72+
- Ages 53-71
- Ages 37-52
- Ages 36-18



Source: caring.com

- **“I want my family’s values to endure.”** We also see a strong desire among families to ensure that their values are carried down to future generations. Often, one generation has actually built the family wealth through a business or investment, the product of hard work and determination. While they want future generations to benefit from that wealth, they also worry that younger family members may actually be disadvantaged by being given too much. Involving children in the legacy planning process is one way to make sure they understand and share responsibility for family values. In some cases, we see families involving younger generations in charitable giving decisions to explore and instill those values together.

An Evolving Process

The other piece of the puzzle is that as we go through life, our relationships to our family and community are always evolving. Often, this plays into an evolution in legacy planning, too. For instance, one family may aspire to leave a \$1 million endowment to an institution to support scholarships or particular programs. But later in life, they have a special-needs grandchild, and their priority shifts to create a wealth vehicle to support his needs.

Ultimately, the process is deeply personal. If you’ve been considering how these issues fit into the plan for you and your family, your advisor is always ready to work through the process together to establish a vision for your legacy.

People’s United Advisors can help.

Please contact us at 1.800.772.8778 or visit peoples.com

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