

ASSET MANAGEMENT DURING RETIREMENT

John Ruskin (1819-1900), one of the most influential English critics of the 19th Century, once said: "In order that people may be happy in their work, these three things are needed: They must be fit for it. They must not do too much of it. And they must have a sense of success in it." The same three things might be said of retirement.

You must be fit for it. Are you ready to retire? Financially, that is? Remember, when you retire, your financial circumstances may change drastically. Instead of working and gradually adding to your retirement nest egg, you will have much more free time and numerous opportunities to spend what you've saved. Will you be able to live within the boundaries of your retirement budget and still maintain your present lifestyle? And how will your retirement affect your investment philosophy?

For example, many retirees reduce their investment risk when their working days are over; they seek income rather than growth from their portfolio. Still others give up managing their investments altogether, relying instead on a revocable living trust. Through such a flexible arrangement, you can designate a trustee — such as this organization — to take care of managing your assets while the trust meets your other financial planning needs.

You must not do too much of it. Too much of a good thing — either during your working career or during retirement — can be hazardous to your health, especially as you get older. No one likes to dwell on this fact but, as you age, your chances for long-term disability increase. And, though you may never experience a disability, you should be prepared for it just in case.

You should know ahead of time who will manage your assets, take care of your family's financial responsibilities, and make sure that you get the long-term care you may need. You can prepare your contingency plans with a revocable standby trust that goes into effect only under certain circumstances. You decide ahead of time how and when the trust will operate, and if your predetermined circumstances actually occur, your trustee will take over — immediately. You

may even use such a trust to manage your affairs while you're on vacation or simply unavailable for any length of time. And, because the trust is revocable, you can change or cancel it at any time.

You must have a sense of success in it. Managing your assets during retirement should not be a burden; after all, you've earned the right to relax and enjoy your leisure. Your estate planning should not be a burden either. Worrying endlessly about your estate plan and about whether or not your spouse and family will be able to manage your estate after you're gone will not change anything. What you need to do is plan accordingly.

One easy way to ensure the success of your estate planning is to alleviate your lifetime asset management concerns and your estate planning worries by implementing a revocable trust that becomes your estate plan when you die. Whatever assets are not included in your trust can be "poured over" into the trust under the terms of your will, the beneficiary designations of your insurance policies, and the payout options of your retirement plan. The result will be a unified estate — distributed and administered according to the terms of your trust.

Are you ready to retire? Or are you already retired and looking for help with your asset management or with your estate planning? If so, please give us a call. The revocable living trust is only one of the many financial tools we provide to help you meet your retirement needs. We have others. And we want to help you use them so that your retirement can be the happy and carefree time you always imagined.