C. Dawkins

Thank you, Sarah. Beth Savage has been specializing in financial planning since 1984. With her extensive background and experience, Beth is uniquely qualified to provide tax, business, investment and estate planning guidance in conjunction with the development of a personal financial plan for her clients. Beth earned her BFA degree from the University of Georgia. In addition to the successful completion of extensive advanced training courses from several financial institutions, she holds the Certified Financial Planner designation from the College of Financial Planning. Beth joined American Express Financial Services in 1984. She is a financial planner with American Express and is a recipient of the prestigious American Express Premier Performer national award. Beth holds securities licenses with the National Association of Securities Dealers and state licenses with the state of South Carolina for securities, life insurance and annuities.

Currently, Beth conducts educational seminars on a variety of topics, including financial planning strategy, taking control of your taxes, retirement and estate planning, charitable giving techniques.
and business planning. She schedules these seminars regularly for the public upon request and speaks often for churches, clubs, associations and employee groups. Welcome, Beth.

B. Savage Thank you very much. And for those of you who may not know where I live in South Carolina, I live in Charleston, South Carolina. Some of you may have visited here, and we hope you’ll come again.

I’m going to talk, first of all, as a financial planner, and I’ll talk about the shopping list I use that I send to prospective new clients when I first start working with them because estate planning needs to start from the very beginning, with your relationship with a financial advisor. One of the six key areas that is covered by the College of Financial Planning, it’s one of six that needs to be covered from the beginning. When I send out a shopping list of things I ask people to bring to our first meeting, there are a couple of items on here I’ll mention because they’re about estate planning, and we talk about that in the first meeting.

First, I always ask them to bring a list of all their assets, including the forms of ownership of each of those assets. That’s the first indication to a client that perhaps they have to look at who owns
everything, from their checking account through to their boat and
everything in between. Who actually owns it? It’s very important
and not many of us think about it in much detail. We’ll get into
ownership later on, but it is very important to know exactly who
owns everything you have.

The next item I have on this shopping list I send out to clients is I
ask them to bring their life insurance policies on all the family
members and any other policies they have, but primarily for life
insurance. I’m looking to see who owns it—back to that
ownership again because insurance ownership can be critical when
you’re doing estate planning. I’m sure other people are going to
touch on that. This is one time where ownership can impact your
estate critically, and it will not be tax free, and most people think
life insurance is, if it’s not done properly. That will be discussed
in more detail later so I’m not going to touch on it other than to say
it’s an important element.

The other important element is who is the beneficiary on the life
insurance? You’d be surprised how many people forget to update
the beneficiary when there is a change by divorce or death or
whatever. You need to look at that when you get over the shock of
the event that has occurred and think about who are the beneficiaries on my life insurance policies.

That leads me to the last area of key things I ask them to bring under a benefits category, which is if you have benefits through your company where you work, look and see who your beneficiaries are on there. See if you have updated that, as well as your private insurance policies. People forget to do the housekeeping on some of these.

The last thing that I ask them to bring are all their legal documents. That’s their wills—and we just touched in the introduction on the fact that young people need a will if for no other reason than to say who shall take care of my children if something were to happen to them. That divides in two categories. Who should take care of my children personally? Who do I want for their guardians? Who do I want to take care of their legal affairs? That may not be the same person. For that reason alone, all people who are married and have children, or are not married and have children, need to have a will.

In addition to that, any pre-nuptial agreements—we’re seeing more and more of those for a variety of reasons; any divorce decrees—I like to see those because I want to know if there are any factors we
need to look at. And, very importantly due to Terry Schiavo, however you feel about how that came out, having a medical power of attorney and living will and having family members clearly understand in writing what you intend to have happen at the last stages of your life are very important for two reasons. First, it makes it clear what you had in mind. Second, it lets your family know what you had in mind. The Schiavos on both sides could clearly have used that information. Think what a gift that would have been. I know at 25 we don’t think about that, but unfortunately, life doesn’t always work out like we plan so everybody ought to think about it. Put it in writing. Change it if you change your mind. Then you don’t have to worry about it.

From there, what I want to cover – and this is what I call housekeeping. I give to clients an estate planning work list that’s designed to help them out and also to help out whoever is handling their estate. These basic documents apply whether it’s a large or small estate. I give them a series of papers, and the purpose of the documentation I’m going to talk about is to list properties and assets, whether real estate, investment information or personal property you own, as well as any liabilities you might have, because anybody who is the executor of your estate would need to know all that, and I’m going to go through it in more detail shortly.
Also--and this is very important--where are those documents located? The simplest and best way to do that is to go to your local business supply store and buy a fireproof little safe, they’re as cheap as $50, and put everything I’m about to talk about into a box. Tell your executor or family member where it is so they can find it quickly. It should have everything in it, including your will and all the documents I just mentioned. I’m going to break down the things that should be in there. Make a list of them. Don’t make it complicated, just list them.

First, list any real estate you own – your home, list that; if you own any other property. If you bought a lot a long time ago and you own it, list that. Remember to list the ownership, the approximate value, etc. The next thing is to list all your cars and boats. Sometimes they’re not where they’re supposed to be. I think of boats since I’m on the coast but it might be some other type of property. Anything you own that you own that you might not think about should be on there.

Next, you should list your investment assets. Investment assets is a term we use in the financial planning world, and that’s everything from your local checking account to any sort of a
brokerage account you own anywhere, any sort of singly held mutual funds not in a brokerage account, certificates of deposit. All these types of things should be listed. A money market, which is nothing else but a high faluting checking account where you can write a certain number of checks a month. Any account that has a separate account number you need to list. You need to list the name of the account, the account number, roughly the value, the ownership, back to that again. Make sure you update the list once a year. I update this with my clients once a year because things change.

I mentioned checking accounts and CDs. Those are very important. People forget to do that. If you have a list of personal items that you would like very much to go to individual people in your family, make sure you’ve listed that. You may or may not have put it in your will. This is one of the things, all these things should go in that lock box I mentioned. There are things that pass from one generation to the other that family members want to know. For instance, my grandmother’s china passed to my mother. It passed to me. Those kinds of thing where if a will says, “Please split all my assets between my two children,” there may be things in there that you would want particularly to go to one or the other.
There were certain things that went to my brother which belonged to my father, for instance. All this should be in there.

Also, a list of liabilities. This is very important because an executor of an estate has responsibility for handling that, and it’s a great saver, particularly if it’s a son or daughter, to say “Here is the money I owe, and here are the people to whom I owe it.” They can pick all this up and handle it how you wanted it handled.

Also list any existing life insurance policies. This one is a little tough to take but is very helpful. If you have prepaid funeral arrangements--and older people sometimes do--grandparents or parents you may be responsible for, make sure they’re listed so they’ll know who to call.

If you have, of all things--but this is helpful in sad times--put in the list where your cemetery plot is, if you own one, where it is, how you get into contact with that person so the person who will need that information in the next 48 hours after a death, make it easy so they have all that information at hand.

In addition, put in this box your will. This will remind you it should be updated every time you move from state to state, and
every four of five years. Powers of attorney, legal powers of attorney, if you cannot act for yourself who will act for you financially, healthcare power of attorney and the living will – these should all be in there. And here is something very important. List the names and phone numbers of those important in your life—your attorney, the executor of your will, who has power of attorney, your financial advisor, and their phone numbers, your minister, physician and children. Put it all together. In the back, we update assets and liabilities and net worth once a year.

I’ll finish this part of my discussion with the last thing you might want to think about, which is a biographical sketch. This is tough, but remember, this is estate planning. Your name, address, place and date of birth, who your parents were, your education, the kinds of things that people who write a proper obituary would want to know. Who you might want as pallbearers, who your brothers and sisters are, what you want people to remember about you, where memorials should be sent, etc. Your grandchildren’s names, any work history, special awards or events in your life that you would like in there. It’s a great help when someone is sitting there the next day to be able to say here is everything. Wasn’t that a kind thing to do in the middle of great sorrow?
I’ve had personal experience with this in the past two years, and I can say it was the kindest thing my parents did for me and a wonderful comfort to have all this in front of you so we could move through estate planning, whether it’s a large or small estate, with virtually all the information we needed.

There was one thing no one thought about, and I’m going to mention it. At least the previous five years worth of your tax returns, state and federal, should be in there, too, because you’ll be surprised how often that will come back to haunt you or your executor. If those tax returns are also in there, it’s a big help.

That’s the end of my list. I think I’m up to my time so I’ll turn it back to the moderator. Thank you.