

Challenge

Karla was feeling numb and overwhelmed. Kurt, her husband of 32 years, passed away two weeks ago. Now that the funeral was over and all of her family members have gone home, Karla knew she needed to start getting organized and figure out the finances. Karla knew very little about their financial affairs. Her husband had been an accountant and had always managed the finances and investments. He would show her the elaborate spreadsheets he had designed to track their progress toward retirement. The spreadsheets never made much sense to her, but he always said that they'd be okay financially. After his death, she regretted not paying more attention. She turned to her brother for help. He suggested that she meet with his financial advisor. Karla scheduled a meeting with Allodium.

Recommendation

Allodium met with Karla and her brother. We asked her about her hopes and dreams, and what she wanted to accomplish in the future as we began gathering her financial information. We learned that helping her grandchildren with college was a top priority, and that she wanted to continue to support the charities that had been important to her and Kurt. One of the charities, the Foundation, was especially important to the family because Kurt had helped to start it. She wanted to commemorate his contribution to the charity by giving a lasting gift. Allodium put together a plan of action and recommended that Karla hire an estate planning attorney with the expertise to settle Kurt's estate.

Result

Allodium worked with Karla and the estate planning attorney for a few months to identify all the assets, debts, and estate documents. Together we completed the final estate and tax returns, retitled the assets to Karla, and updated the beneficiary designations. In addition, trusts were set up in Karla's estate plan to maximize estate tax planning strategies that would reduce future estate tax liabilities. Karla also hired Allodium to manage her investments. We developed a financial plan that included paying the college costs for her grandchildren and also contributing regularly to charities. Karla's new estate plan was constructed to integrate her goals, so that even if Karla dies prematurely, these wishes would still be funded. Lastly, Karla made a large gift to the Foundation, the charity that her husband helped start. The Foundation in turn purchased some artwork and placed it in the front entryway as a memorial to Kurt. Karla felt immense relief after her financial affairs were put in order and her new plan was in place. Although she still missed Kurt daily, she was glad to feel organized instead of overwhelmed.



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