

SINGLES NEED FINANCIAL PLANNING

If you have to earn a living, you need a financial plan, regardless of your marital status. You probably need estate planning as well, especially if you are single and own a significant amount of property.

Financial and estate planning address two basic concerns: protecting your earnings and protecting your property. For singles who do not have someone to fall back on, planning for unexpected setbacks is particularly important.

Protecting your earnings (your ability to feed, house, and clothe yourself and any dependents) should start with creating an emergency fund sufficient to pay your basic living expenses for six to twelve months. The fund should be separate from your other investments, readily accessible, and most importantly, reserved solely for emergency use.

Insurance can be a useful additional tool for protecting your income. Disability insurance provides a revenue stream when you are sidelined by illness or injury. Employers often offer such policies, and they are available through private insurers as well. Life insurance may not be a priority if you have no dependents, but if anyone relies on you financially, a term life policy offers simple and effective protection.

Asset protection can be somewhat more complex. Through powers of attorney, you can appoint trustworthy people to make financial (and medical) decisions for you in the event of incapacity. By creating a will (and perhaps a trust) and by naming beneficiaries for your IRA or 401(k) plans, you can ensure that your assets will go to the individuals or charities of your choice. Do not sign documents or transfer property without the assistance of your attorney.

Each person's planning needs are different. The Mangold Group has a depth of expertise in strategic tax planning and is glad to be a trusted advisor. If you would like to learn more about protecting both your finances and your property, give us a call.