

# Do I Need Estate and Financial Planning?

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How do you want to be remembered? Whether you're aiming to leave a lasting impact on the world or have a few simple wishes you'd like fulfilled, aligning financial and estate planning is the key to reaching your goals. Incorporating both allows you to create a roadmap that not only reflects your values and supports your loved ones, but also ensures your hard-earned assets are distributed exactly as you intend.

## The Role of Financial Planning

Financial planning is all about answering the "how" questions – how to grow and manage your wealth to support your desired lifestyle and achieve your long-term financial goals. It helps determine the appropriate savings for retirement accounts, the required amount needed for comfortable living, and the most efficient tax strategy for distributing your wealth.

## The Importance of Estate Planning

Estate planning is focused on answering the "who" questions – who will inherit your assets and who will help fulfill your wishes? Estate planning is about ensuring that your belongings, including your property, investments, and personal possessions, are protected and distributed according to your wishes.

## How Does Estate Planning Play into My Financial Plan?

Incorporating estate planning into your financial plan is essential for achieving long-term financial success and safeguarding your wealth. Without an estate plan, your financial plan may fall short of meeting your ultimate goals.

Consider this scenario: you have a diverse investment portfolio and want to leave half of your wealth to a charity and the other half to your family. Financial planning will help you determine which accounts, investments, and strategies will help you achieve your end goals.

For example, a Roth IRA or taxable account is best suited to leave to family members as they can receive the money tax-free. On the other hand, Traditional IRAs are often best suited for gifting to an eligible charity because you will not pay taxes on the gifted money, and neither will the charity.

While your financial plan plays a critical role in determining the most efficient strategy for reaching your goals, your estate plan serves as the final step to guarantee that your assets are distributed as intended after you're gone. It's not enough to only work towards your goals, you need legal backing to ensure they are carried out. Without an estate plan in place, your assets may end up in the wrong hands, or your loved ones may face legal disputes over your estate.

## **The Bottom Line**

A comprehensive financial strategy, coupled with a well-designed estate plan, not only ensures your goals are met during your lifetime but also provides for the protection and distribution of your assets according to your wishes. Don't neglect estate planning in your financial plan — it's crucial for securing your financial future and legacy.