



In support of **The Improving Financial Awareness & Financial Literacy Movement** built around the strategic venues of

- April known as *Financial Literacy Month*
- October known as *Estate & Gift Planning Awareness Month*

This feature column contains some very important messages

Improving Financial Awareness & Financial Literacy Feature Column Series 011 Issue | Vol 2| 2022

## It's time to protect your family & your future

In support of The Improving Financial Awareness & Financial Literacy Movement personal finance content blitz built around the strategic campaign venues of April known as Financial Literacy Month and six month later during October known as Estate & Gift Planning Awareness Month, the following estate & gift planning article contains a very important message.

The vast majority of our adult population does NOT have nor realize the importance of not having a current or up-to-date estate and gift plan to protect themselves, their family, and their assets; which can include most of your family, friends, and colleagues.

If you are a business owner or executive within an organization, estate and gift planning is important to you and your family and the success and continuation of your business.

Estate and gift planning is a financial process that can protect you, your family, and the future of your business as well as a very important component of your overall personal and business financial planning.

### Now is the perfect time to put your estate planning house in order

#### Getting Sick

If you don't have an up-to-date estate and gift plan and you happen to get hurt or sick and cannot manage your health or financial affairs, the courts will have to appoint someone to manage them for you.

The person appointed might not be the one you would want to perform those tasks.

As a business owner, who would you want to perform this function so that the business is still operational when you return?

#### TODAY'S THOUGHT

*"The only person who doesn't need an estate & gift plan is the one who lives forever and never gets sick."*

-Your **financial PARTNER**



### The FINANCIAL AWARENESS Foundation

A 501(c)(3) Nonprofit Organization Dedicated to Significantly  
**Improving Financial Awareness & Financial Literacy...**<sup>™</sup>

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## When You Pass (Die)

Without an estate and gift plan, when you pass away, your affairs will be settled by default through a complex legal system dealing with - "intestate succession and probate." Also, assets located in different states and countries will be dealt with according to their rules, with separate probates.

The handling of your financial affairs can turn into a costly and frustrating ordeal for your family and heirs. Your assets may not pass to their desired party, and there are no ways for your legacy plans, or assets (significant or modest) to get to their favorite charities or causes unless some advance arrangements are made.

As a sole business owner what will happen to your business?

If it is a valuable asset for your family, will it be kept intact and functional?

Who will operate it and how?

Or will it be packaged and sold to provide funds to the family? If so how will this be done and by whom?

If you are a business owner and have partners, what will happen to your interest? Will your children and spouse and other family members become the new partners in the business with other partner(s)? Will this help the business or hurt it? Or will the surviving business partners (shareholders) buy out the deceased owner's interest? Will that be at a fair price or a discounted one?

For executives who work in a company, do you have a succession plan when key executives and owners die or get sick?



Here are some examples;

Building Blocks to Successful Estate & Gift Planning	
<h2>What ... No Estate &amp; Gift Plan!!!</h2> <h3>Who Gets What?</h3> <p><b>In California?</b></p>	
If you were to die without a will with	This happens
a spouse and children	spouse inherits all community property and 1/2 or 1/3 of your separate property children inherit 1/2 or 2/3 of your separate property
a spouse and parents	spouse inherits all community property and 1/2 of your separate property parents inherit 1/2 of your separate property
a spouse and siblings, but no parents	spouse inherits all community property and 1/2 of your separate property siblings inherit 1/2 of your separate property
children but no spouse, parents, or siblings	children inherit everything
spouse but no children, parents, or siblings	spouse inherits everything
parents but no children, spouse, or siblings	parents inherit everything
siblings but no children, spouse, or parents	siblings inherit everything
Would this meet your desires?	

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# What ... No Estate & Gift Plan!!! Who Gets What?

In Iowa?



If you were to die without a will with	This happens
children but no spouse	children inherit everything
spouse but no descendants	spouse inherits everything
spouse and descendants from you and that spouse	spouse inherits everything
spouse and at least one descendant from you and someone other than that spouse	spouse inherits 1/2 of your intestate real estate and at least 1/2 of your intestate personal property, provided the spouse's share is worth at least \$50,000, descendants inherit everything else
parents but no spouse or descendants	parents inherit everything
siblings but no spouse, descendants, or parents	siblings inherit everything
<b>Would this meet your desires?</b>	

# What ... No Estate & Gift Plan!!! Who Gets What In Ghana?



If you were to die without a will with	This might happen
a spouse and children	Spouses and children are entitled to the household chattels (i.e. jewellery, clothes, furniture and household appliances, simple agricultural equipment, motor vehicles and household livestock).  If the deceased's estate includes one house, the spouse and children are entitled to it and will hold it as tenants-in-common. If the deceased left multiple houses, the spouse and children are entitled to only one house.
The Intestate Succession Act contains further complicated formulas for the division of the estate among various relatives.	For the Residue (Balance) <ul style="list-style-type: none"> <li>• 3/16 goes to the surviving spouse</li> <li>• 9/16 to the surviving children</li> <li>• 2/16 to the surviving parent and</li> <li>• 2/16 is according to customary law</li> </ul> However, experience shows that many Ghanaian families do not follow the provisions of the Intestate Law, fearing it would dissipate their property. Many families follow Customary Law.
For instance, where the intestate is survived by a spouse and children:	The complex nature of intestate succession presents Ghanaian courts with difficult choices when determining which laws to apply.
<b>Would this meet your desires?</b>	

## Crafting YOUR Estate & Gift Plan

The crafting of a good estate and gift plan starts with planning, followed by the proper drafting and signing of appropriate legal documents such as wills, trusts, buy-sell agreements for business owners, powers of attorney for financial management, and an advance health-care directive or health-care power of attorney. Having these documents in place saves you and your family a lot of money and time at a very difficult and emotional period.

Your estate and gift planning should also address the coordination of the way you hold title to your various assets, your beneficiary selections on retirement plans and any life insurance, and the possible transfer of certain assets while you are alive.

Regardless of the extent of your net worth, estate and gift planning is important for everyone. Complex strategies may be used by wealthy people to reduce taxes and costs, and arrange for asset management for family members not capable of such management. Others may only require a simple will and/or trust to pass on property to their heirs and provide for minor children.

Even if a simple will and power of attorney are all you require, an estate and gift plan is an essential part of your financial and gift planning. Everybody will need it someday. The time to address or update your estate and gift plan is now.



## Walking You Through the Process



**1. DEFINE YOUR GOALS:** *What do you want to happen to your assets in the event of your death or disability? If your beneficiaries predecease you, who are your alternate selections? How will your assets be distributed, and when will these distributions take place?*

- ❑ *Decisions on the distribution of your assets should take into account the size of the estate, the ages and abilities of your children and family members, and your personal desires. For example, if you have a larger net worth a distribution to children over time might be wise and consist of something like this: 10 percent of the estate at age 18, 25 percent at age 21, 50 percent at age 24 or upon completion of college, and the balance at age 30.*
- ❑ *Choose your appointees for important roles: Who will be your executor and, if applicable, trustee and/or guardians? These are parties that will perform specific functions to help to settle and manage your affairs. It is advisable to list at least a first and second alternate for each appointment in case your first choice is unwilling or unable to serve.*

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- ❑ *If you have children who are minors, the appointment of a guardian is probably the most important decision you'll make. With the court's approval, this person, or persons, will raise your children. Consider appointing a family member and spouse, or another close couple who'll care for your children the way you would want.*
- ❑ *You may want to consider listing multiple executors, trustees and guardians to serve together in handling the details of your estate. This can provide a check-and-balance system for the appointees and help them avoid oversights or misappropriations. Consider appointing family members, friends, professionals, advisers and/or trust companies for this position. If you have business holdings you may consider having separate appointees to perform these functions as they related to the business(es).*
- ❑ *There is some risk with multiple appointees as well: If these people disagree and have problems, they can each be represented in court by counsel paid for by your estate to defend or allow their actions, so be very careful in making your selections.*
- ❑ *Living trusts have become popular for domestic and international reasons for those with those of wealth because they offer more privacy and less administration is required in comparison with a will. Be aware that having a living trust does not eliminate the need for a will and administration at either the first or second spouse's death.*
- ❑ *To get the benefits of the trust, certain details must be attended to, and this is the job of your appointees. For example, the trust must be funded and managed properly or benefits can be lost.*
- ❑ *Is estate privacy an issue for you? Do you want your estate to be public record upon your death? Do you have any special gifts you want to be made for charity? Do you want an elderly parent or friend to be financially cared for? All of these circumstances should be noted in your plan.*

**2. GATHER & ORGANIZE YOUR DATA:** *There are three basic tasks to be accomplished:*

- ❑ *Review and update your financial position.*
- ❑ *Review how you hold title to your assets. Is it consistent with your estate and plan?*
- ❑ *Review your beneficiary selections. Are they aligned with your estate plans?*

**3. ANALYZE YOUR SITUATION:** *Start by determining your current net worth, assuming your death occurred today. This can be done by totaling your current assets and liabilities and adding the value of any life insurance. Try sketching a picture or flow chart of your existing estate and gift plan. If you have not written a plan, the default laws, customs, and religious beliefs all have one for you and the courts will make the final determination. Review your appointees:*

- ❑ *Executor*
- ❑ *Guardian of the Person/of the Property*
- ❑ *Trustee*
- ❑ *Power of Attorney - Financial Management*
- ❑ *Advance Health-Care Directive or Health-Care Power of Attorney*
- ❑ *Business Owners: Buy-Sell Agreement, Session Plan*

**4. DEVELOP YOUR STRATEGIES:** *With the assistance of your estate planning advisor(s), identify the legal documents that need drafting or make any necessary adjustments to existing documents. Determine any other actions that must be taken for your wishes to be carried out.*

**5. IMPLEMENT YOUR PLAN:** *Do what needs to be done -- i.e., update or create new wills, trusts and powers of attorney, if required adjust the title to your properties, and change alternate beneficiaries of retirement plans and life insurance policies. Consider making current or planned gifts to your family and your favorite causes and nonprofits. Provide your executors and trustee with a location sheet as to where you keep things.*

**6. TRACK & MONITOR YOUR PROGRESS:** *Check your estate and gift plan annually or any time there are changes in your family situation or net worth. Use your financial planning calendar to schedule your next review.*

<https://www.home.thefinancialawarenessfoundation.org/pdf/TFAF-12MonthFinFitnessCalendar.pdf>




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How are you doing with the other areas of your personal financial management? Are you touching all the bases?



**Complimentary Copy of the TFAF The Personal Finance Publication Set**

In the spirit of Improving financial awareness & financial literacy, we would like to share with you a complimentary copy of TFAF - The Personal Finance Publication Set. To get your free copy visit the web link at [www.TheFinancialAwarenessFoundation.org](http://www.TheFinancialAwarenessFoundation.org)

Visit *The Financial Awareness Foundation's* website to learn more about *The Movement and financial, estate and gift planning.*

[www.TheFinancialAwarenessFoundation.org](http://www.TheFinancialAwarenessFoundation.org)



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## Introducing... The Financial Awareness Foundation (TFAF)

TFAF is a 501(c)(3) USA based nonprofit organization. Its mission is to significantly help solve a major social challenge dealing with the lack of financial awareness along with the financial illiteracy epidemic. They believe that teaching financial awareness, financial literacy and the essential principles to smart money management are so very important. This provides people the tools of empowerment for making lifelong informed money decisions, giving them the best probability of living a quality life without outliving their wealth; and for passing on personal values, knowledge & assets to future generations to make their lives & this world a better place.



TFAF has two main focal points and they revolve around:

- Taking an active leadership role to recognize organizations and their management that are championing improving financial awareness and financial literacy. Unite them with other associations, organizations, nonprofits, educational institutions, municipalities, employers and the news media to actively focus their vast community resources into **The Improving Financial Awareness & Financial Literacy Movement** around a growing concentrated personal finance content media blitz every six months through the strategic campaign venues none as **Financial Literacy Month (April)** and six months later **Estate & Gift Planning Awareness Month (October)**.

The plan is to touch the majority of the general public, high net worth individuals, financial service and nonprofit professionals and their organizations at least twice a year through these strategic venues, with educational and motivating reminders to get and keep their financial house in order with current financial, estate, and gift plans.

<http://thefinancialawarenessfoundation.org/pdf/TFAF-PublicSupportfortheImprovingFinancialAwareness.pdf>

The Movement began in the USA over a decade ago; global financial literacy initiatives are increasing; we are contacted regularly for assistance, content, and ideas from around the world. In 2018 we began The Improving Financial Awareness & Financial Literacy Movement in several East African Countries. This will touch ~ 150 million people; modeled after our work in the US. In 2020 we began Movements in Ghana, Brazil, and India. We now have The Movement is developing within 7 countries and 4 continents. We also have initiated development activities and discussions for **The International Improving Financial Awareness and Financial Literacy Research Centers** within 12 Universities, (and growing) domestically and internationally. They are planning on taking leadership roles within the countries and community's improving financial awareness and financial literacy activities.



<http://www.thefinancialawarenessfoundation.org/pdf/TheMovementWorldWide.pdf>

- Delivers and develops exceptional educational content and programs for We The People - the general public – rich to poor; and for financial service, nonprofit, and charitable gift planning professionals, and educational institutions that support the public's financial and estate and gift planning and charitable planning needs.

Organizations and individuals are never required to financially support TFAF in any way. They do not pay any marketing or membership fee, or contribute in order to participate in **The Improving Financial Awareness & Financial Literacy Movement**, campaigns and programs. TFAF also develops and distribute high quality materials at 'NO Cost' used for nonprofit educational purposes. But as a 501(c)(3) nonprofit organization, financial support and contributions are always welcomed and very much appreciated.

**Valentino Sabuco** is the Executive Director, and you can learn more about TFAF, The Movement, and becoming an **Ambassador, Strategic Partner, Volunteer, or Supporter** at [www.thefinancialawarenessfoundation.org/](http://www.thefinancialawarenessfoundation.org/)

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# The Improving Financial Awareness & Financial Literacy Movement

## ♦ Are you aware of The Improving Financial Awareness & Financial Literacy Movement?

To help address the global lack of financial awareness and the financial illiteracy epidemic over a decade ago in the USA we began taking an active leadership role to recognize organizations and their management, and individuals that are championing improving financial awareness and financial literacy. We are then uniting them with other associations, organizations, nonprofits, educational institutions, municipalities, employers, the news media and concerned individuals to actively focus this vast community resource into **The Improving Financial Awareness & Financial Literacy Movement** with its semi-annual concentrated



personal finance content media blitz around the strategic campaign venues celebrating

- ✓ **April being known as Financial Literacy Month** and six months later with
- ✓ **October being known as Estate & Gift Planning Awareness Month.** (We worked with Congressman Thompson's Office during 2007 and 2008 to help create an Estate Planning Awareness proclamation that was co-authored by 50 bi-partisan Congresswomen & Congressmen; we have helped advance and promote it since.)

The plan is to touch everyone at least twice a year through these strategic campaign venues, with educational and motivating content, reminders and tools for making wise informed lifelong financial decisions and to **get and keep your financial house in order by having current financial, estate and gift plans.**

Below is a link to our annual **The Improving Financial Awareness & Financial Literacy Report & Magazine.** This provides a sampling of the community participation, including supporting proclamations from over 20 US State Governors, leading financial services, planned giving, and nonprofit associations and their professionals, and academia and news media efforts along with a comprehensive collection of reports including how financially literate each state and country is, and so much more.

<https://home.thefinancialawarenessfoundation.org/pdf/TheMovementWorldWide.pdf>

For financial service professionals

- ✓ **The Improving Financial Awareness & Financial Literacy Movement Can Increase Your Bottom Line**

<http://www.thefinancialawarenessfoundation.org/pdf/TFAF-Advisors-CanIncreaseYourBottomLine.pdf>

For We The People - The General Public –

- ✓ **Supporting Improving Financial Awareness & Financial Literacy Is A Winning Opportunity For All**

<http://www.thefinancialawarenessfoundation.org/pdf/TFAF-PublicSupportfortheImprovingFinancialAwareness.pdf>



**To learn more about The Movement or become a volunteer or Ambassador or Strategic Partner in the US or worldwide.**

[www.thefinancialawarenessfoundation.org/pdf/TFAF-Ambassador-Volunteer-Overview.pdf](http://www.thefinancialawarenessfoundation.org/pdf/TFAF-Ambassador-Volunteer-Overview.pdf)

Hope you find this of interest and look forward to our meeting you.

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