

## DIY INVESTMENT INSTRUCTIONS FOR YOUR SURVIVING SPOUSE

**A simple approach**  
*Invest for the Long-term*

## TRANSITIONING TO A NEW COO FINANCIALS—NEED TO KNOW

First, there is an equal responsibility to share and learn

What is learned today may not be used for years

This presentation is focused only on the financial need to know

—Including a generic suggestion—tailor it to your needs

Good for the long term—years and years

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## WHAT'S THE INHERITANCE

Company/Military Retirement plan

Company 401(k)

Annuity

IRA

Roth IRA

Portfolio of stocks/bonds

No investment guidelines

Investments  
Likely Fixed

Investments  
Wide Open

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## THE GOAL (BEFORE YOU'RE GONE)

Plan for after you're gone.

- Warren Buffett has a plan
  - My plan is somewhat the same
- Alternative plan—
  - Select an executor
    - Fiduciary advisor
    - Broker
    - Banker
  - Managed Mutual Funds

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## THE GOAL

### Steps to take care of your spouse—

- Joint checking account
- Each with your own credit card
- Freeze your credit report at the 3 agencies
- List passwords for all accounts/information
- Provide Broker/Advisor/Attorney contact information
- Private mater instructions
  - What's to be done with your body, type of service, etc.
  - Special bequests

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## THE GOAL

### Steps NOT to take before you're gone—

- Sell everything
  - Leave your spouse a pile of cash
    - Think of taxes (Take advantage of stepped up basis)
- Think three times in selecting an Executor
  - Consider following the steps in this presentation
    - A simple DIY plan
    - One that does not require constant attention

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## THE STEPS:

### Steps to take care of your spouse—

#### Write DIY instructions for your spouse—

#### Step-by-step instructions—

- Basics of reading the monthly statement
- How to buy shares online
- How to sell shares online
- Transfer \$\$ to checking account

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## THE STEPS:

**Practice**—practice quarterly—as a minimum

Rewrite the instructions as needed

Share monthly brokerage statement

Where total cash is found

Where total value is found

Practice selling to raise cash

Practice transferring \$\$ to checking Account

We learn by doing

8 **Alternative:** Teach how to call broker

*Don't point  
Let spouse point*

## THE STEPS:

Maintain cash account for starter purposes

Provide money for first 6-12 months

Money Market Account

Checking Account (Recommended)

Money spouse can get to easily

Simply write a check when \$\$ needed

Removes anxiety

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## (AFTER YOU'RE GONE) STEP ONE SURVIVING SPOUSE ACTIONS

Ask the Broker/Advisor to provide a price list of all holdings **on the date of death**—

Establishes the new cost basis.

Spouse: know the new cost basis for Stocks and Home

Use Realtors to determine the new cost basis of home

Get an evaluation letter dated on date of death

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## STEP TWO

Something to consider:

Sell everything contained in the investment portfolio as soon as possible after death.

Go to all cash—harvest those capital gains

(Spouse may pay no Capital Gain taxes)

Sound draconian? (What's in your portfolio)

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## STEP THREE

Invest the entire cash amount in Index Funds.

- Reinvest Dividends

### *Conservative:*

- 75% S&P 500 (SPY)
- 25% Power Shares NASDAQ 100 (QQQ)

### *More Aggressive:*

- 50% S&P 500 Growth (SPYG)
- 50% Technology Select (XLK)

Well diversified – long-term investment

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## STEP FOUR

Sell shares to generate income to live on—up to 4.5% per year.

- (Depends on age and portfolio value)
- Do not panic sell shares when the market tanks.  
Invest for the long term.

**Stay invested.** (Convince spouse of plan)

**Remember—there are written instructions**

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## STEP FIVE

How long will the money last?

How much money can be withdrawn?

Demonstrate to spouse.

(Taxes – Inflation – Growth – Time)

<https://www.creditdonkey.com/how-long-will-my-money-last-calculator.html>

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## THINGS TO CONSIDER

### Stay invested

Prepare your spouse—talk about market downturns  
Recessions take 16 months to correct—requires patience

Reinvest dividends automatically

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## THINGS TO CONSIDER—BEFORE YOU'RE GONE

Prepare spouse for a Broker to object to the plan  
 Discuss the reason for the plan with spouse  
 Show how withdrawals can be sustained by growth

(Would a Broker counter Warren Buffett's  
 action/advice?)

**Knowledge breeds confidence!**

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## THINGS TO CONSIDER—BEFORE YOU'RE GONE

- What accounts you have – and contact information
  - Investment Portfolio (password)
  - Insurance – life, health, car, home, liability
- Bank accounts – Safety Deposit Box (yes/no)
  - How your bills are paid—list auto pay accounts
  - Sign "Pay on death" (POD) to transfer bank account
- Real Estate – (Location and parcel number)
  - Out of State property--Use "Transfer on death"
    - Register it with the County Treasurer (Online form)
- What's to be done with your body, etc.
- What kind of service, etc.
- Write your own obituary

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## DIY INVESTMENT INSTRUCTIONS FOR YOUR SURVIVING SPOUSE

*Stay invested for the long term  
 Don't sell on downturns*

**Wall Street Words –  
 David Scott**

Not a recommendation  
 It's what I'm doing for my heirs  
 Somewhat copying Warren Buffett