

Wealth Management

BY MYRA SALZER

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Regularly listed among the country's top financial advisers by *Worth* magazine, Myra Salzer is the founder

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Better Man in brief ...

- Though it's tempting, do not spend your money in the first month. Strategize.
- Consult with a wealth management coach to define your purpose.
- Secure your "nut" -- the money required to cover your monthly needs and wants.

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You just found out you are about to receive more money than you ever dreamed of from (pick one): winning the lottery; a long-lost uncle who died without a will and you are his only surviving relative; a trust that will terminate on your next birthday; or settling a personal injury suit.

I've worked with clients who have experienced each of these. Now what?

It's odd how people assume that, as a male, you have some sort of genetic advantage to knowing how to invest (and love the process), how income and estate taxes work and how to leverage money to its full advantage.

If you are one of those rare men who aren't afraid to ask for directions, here are a few simple steps to take to gain control over your new windfall and master wealth management.

Do nothing for one month

Seriously. Between the panic and the elation there is a calm, and when you find it and make decisions in that space of clarity, your decisions will be wise ones. It could take you days, months or even years to reach that equanimity. Getting there can't be rushed, but it can be nurtured with meditation, therapy, running (that's what does it for me), golfing, painting,

praying, or whatever activity gets you into your at-peace zone. Until you are in that frame of mind, do not -- I repeat, do *not* -- make any irrevocable decisions with your newfound wealth. (Examples of irrevocable decisions include investing in things that cannot be sold right away or things that have a cost to liquidating them, offering gifts, donating to charities, and putting assets into certain types of trusts.)

Define your purpose

What's it all about? What do you want to accomplish while you are on this planet? What do you want others to say at your eulogy? If you aren't sure because you've been too busy catching up to pay your mortgage, student loans and car payments, go back to step No. 1 (take a deep breath) to find your balance, and work with step No. 2 (wealth coach) to help you define your purposes. Your wealth coach doesn't provide wealth management services only, but is likely to have exercises to facilitate you in this area. I work with clients on defining their purpose in several areas, including spiritual, financial, community, family, friends, intellectual, recreational, and career.

Consult an expert

This is someone who will know and understand you, and who is a fiduciary (a person who holds your interests above all else). This person should probably have a CFP® (certified financial planner) designation and not merely the myriad mail-order set of letters after his name. NAPFA (National Association of Personal Financial Advisors), NAPFA.org, provides a list of members on its website. Members must have experience, meet stringent continuing education requirements and agree to a fiduciary oath.

"Don't let your new wealth interfere with important relationships, accomplishments or your purpose."

Secure your "nut"

This is the amount of money you invest to support a lifestyle that pays for all your wants and needs. There is a quick and easy way to calculate whether you have inherited or received enough money that already secures your nut. Will one-fortieth of your inheritance provide enough income to pay for all your wants and needs? For example, let's say you inherited \$10 million. Ten million dollars divided by 40 equals \$250,000. If all your needs and wants would be met on \$250,000 per year (after taxes and adjusting for inflation), then your nut is secure. All you need to do is invest in a manner that keeps up with inflation and spending.

Invest to not lose

Your nut is secure. You don't need to double it. You need to not lose your nut. Find an investment management firm whose intractable systematic approach is wealth *preservation*. (We recommend independent registered investment advisory firms that don't sell any products and that are not associated with any brokerage houses or broker dealers.)

Have fun

Then, commit to having fun with (instead of being burdened by) your windfall. It is a wonderful tool for enjoyment. You can savor the comforts and security it provides as well as the gifts you are able to give without sacrifice. Don't let your new wealth interfere with important relationships, accomplishments or your purpose. Your wealth coach can help you in all these areas, so keep them involved as you integrate your wealth into your lifestyle.

Do no harm

Power accompanies wealth, and power can be abused. Treat others as though it will be they who will deliver your eulogy when the time comes, saying exactly what you want to be remembered for. Living each day with gratitude for the gifts you've been given will override any feelings of guilt or the temptation to do anything other than make the most of your wealth and your life.

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