Preparing Your Finances

Having an advanced directive is important for outlining your wishes for medical treatment, but what about your financials? A financial power of attorney designates someone to handle your financial affairs once you are deceased, or in some cases, unresponsive.

**Write a Will**

A will is your written legal document informing your friends and family how you would like your assets and belongings distributed. For parents of young kids, this is especially important because you list whom you wish to become your child(ren)s new legal guardian.

**Life Insurance**

Life insurance is needed if your death would create a financial burden on a loved one. Meaning that they would need life insurance to replace your income, it is also needed if you have any debt that would fall on someone else.

The most common life insurance is Term, covering you for as long as your loved ones would depend on you. This could span 10-30 years, ideally ending when your children are independent, and you have enough savings to support a spouse.

A more permanent form of life insurance would be whole life insurance. Just as the name entails, you are covered for your entire life. This type of life insurance is often used for parents that have a child with special needs.

**Saving for a Funeral**

Creating a separate savings account and naming a “payable on death” beneficiary is one way you can save for the funeral. Other ways would be to purchase a small whole life insurance, or prepay for your funeral. No matter which direction you decide to take for your funeral, it’s always best to have your wishes in writing in a safe known place for your beneficiary.

**Keep Organized Records**

Store all important documents, account information, and instructions in a secure place. There are multiple options that you can use to store this information like a safe box, or secure websites like Everplans. What option you choose to keep your records safe, make sure your beneficiary knows how to access this information if and when the time comes.

**Estate Plans**

Make sure to review your will, beneficiary designations and titling of property every five years or after any major life changes. Check your records every year or so to make sure that the most up to date information is included.

Source: [https://www.usatoday.com/story/money/personalfinance/retirement/2017/01/16/how-prepare-financially-your-death-no-matter-how-young-you/96473630/](https://www.usatoday.com/story/money/personalfinance/retirement/2017/01/16/how-prepare-financially-your-death-no-matter-how-young-you/96473630/)

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