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# Leaving a Legacy

As financial advisors, we routinely collaborate with our clients to align their portfolio and financial planning to meet their goals and objectives. These goals and objectives may fall into similar broad categories, but the details are unique to each client. Broad categories include accumulation for specific purposes, such as a second home, education for children and grandchildren, and a secure retirement. Another broad category affecting most clients is a tax-efficient distribution strategy to meet the timing of specific lump sum outflows, or to ensure that their lifetime spending needs will not exhaust their resources. These accumulation and distribution strategies should also align with their legacy goals.

Though many clients have not established a defined "legacy goal," we believe that this should be a consideration for all clients. Webster defines legacy as "anything handed down from the past, as from an ancestor or predecessor." Examples of legacy include *intangibles*, such as talents, reputation, beliefs, and actions. Intangibles may include an attitude towards the stewardship of financial resources. Examples of a tangible legacy would include the disposition of real and personal property including financial assets such as bank and brokerage accounts, retirements accounts, and life insurance. Often, we collaborate and assist clients on strategies and related vehicles to incorporate their intangible perspectives into the methodology of the disposition of their *tangible assets*. More often than not, the focus on tangible legacy is from a "**finishing or residual viewpoint**," as opposed to a "**starting point**." In these instances, our clients view the subject of legacy as disposition upon death, i.e. transfer of their residual assets to heirs or charity, outright or perhaps via a trust instrument.

In this financial integration pointer, we suggest that you consider legacy as a "**starting point and work backwards.**" This is relatively common when we are working with our younger clients who are in the early stage of their careers and may have young children. Often, achieving their desired legacy will require their future earnings to achieve future financial objectives, such as family security and their children's education. In these instances, life and disability insurance are financial alternatives to bridge the gap in the event of premature death or disability. In addition, their saving/accumulation targets are **prioritized** to meet these objectives. However, it is not as common for clients who have achieved family goals and perhaps retired from their careers to view legacy as the starting point for current financial planning. Doing so requires that we assess how their current financial actions (spending, portfolio asset allocation, and testamentary documents) support the attainment of their desired legacy. Our experience is that clients who consider legacy as a starting point in their planning are likely to feel that their plans are comprehensive and aligned with all their goals and objectives.

We appreciate the opportunity to serve as your financial advisor.

Sincerely

Your TD Capital Team