

Anticipation Planning

How to plan for a life changing event that is predictable

by Judy Haselton

We can all appreciate how a significant change in personal finances can change/affect just about everything else in our lives. These shifts in our financial foundation are never just about the money we are about to receive; therefore, we need to do advanced and proper planning to avoid or at least minimize any anxiety or uncertainty about how to handle the new opportunities at hand. When it comes to financial transitions, there are no guarantees that more money will make our lives better.

At Harmony Financial Advisors, we understand that managing financial transitions is essential to your financial harmony. New challenges and complications are an integral part of the package that comes with financial transitions. While waiting for 'new' money to arrive it is essential to deal with the new possibilities and responsibilities beforehand; this is especially important when the actual dates and amounts are not known.

Why get all involved in planning for something that has not yet happened or may never happen?

The answer may surprise you. It's because the transition has already begun. It started as soon as the potential life-changing event was identified. Waiting creates more complications because you've lost the opportunity to plan ahead.

Anticipating big changes in our circumstances can be overwhelming. It's not unusual for people to put off the hard work of adjusting to changes ahead. Frequently, they are concerned with the new emotional and financial realities they face.

For example, Anita knows that her parent's estate is being settled. She doesn't know how long the process will take and isn't really sure about what her inheritance will be. In the meantime, the upcoming inheritance has become a topic of conversation for her family. She, her partner and her children are all *future spending*, picturing things they hope to buy and where they will travel or live.

Instead of bringing in an advisor trained in managing transitions, Anita is solely focused on future possibilities. She has stopped saving for retirement and is no longer concerned about living within a budget.

The *Anticipation Stage* creates expectations. Without the advantage of a proven process that gives Anita a roadmap to manage these expectations, the end result can be messy and frustrating, resulting in unintended consequences.

Without proper planning and perspective, major life events that could increase personal and financial well-being might be compromised by unnecessary complications and demands, easily avoided with proper guidance.

Harmony Financial Advisors has identified the *Anticipation Stage* as the first of four stages of Transition Planning. We call the pre-event planning process *Triage*. It is designed to give people a better foundation for managing their decisions, commitments and relationships once the expected life event happens.

As a result of the *Triage* process, individuals find that managing changes in their financial circumstances are less stressful and more engaging. Some of the results and/or skills you may gain through this process are:

- Communication between you, your family, partner, advisors, and friends is more clear and productive. You learn how to sort your way through complicated decisions.
- You understand how to break things down into small steps and prioritize them. You know what to do when, and how to stop and change direction when needed.
- You have practiced how to uncover the real drivers behind your choices and actions. You save time, confusion and resources instead of taking a circuitous route with many stops and starts.
- You have thought through the expectations of others as well as your own. This makes it possible to set and reset expectations in advance rather than when all the action is taking place.
- You have thought through who is entitled to participate, and how, why and when.

