Perspectives

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Five Tips to Bring Your Estate Plan to Life

By Shelley Schexnayder, Senior Advisor, Communications at 1st Global

A recent Harris poll revealed that 64% of all American adults have not put an estate plan in place,[1] even though having a comprehensive plan is critical to protecting you and your family's future by minimizing taxes and expenses and maximizing what you're able to leave behind. Estate planning is often a topic no one wants to talk about — but everyone needs to. An estate plan ensures your assets are distributed according to your wishes, whether that's who takes care of your pet or how much you are able to posthumously support your favorite charity or cause.

64 PERCENT of all American adults have not put an estate plan in place.[1]

While the estate planning process may seem like a huge endeavor, taking just a few steps can get you quickly on your way. Here are five guidelines that can help get you started.

1. Never too early, never too late.

Many establish an estate plan upon getting married, buying a home, having children, losing a loved one unexpectedly or undergoing another life-changing event. Whatever the reason, it's never too early—or too late—to make your first estate plan. Likewise, if you established an estate plan years ago, it's prudent to revisit your plan periodically to determine if changes need to be made.

2. Don't forget about taxes.

An estate tax is imposed at a federal and sometimes state level; some states also have an inheritance tax. Knowing who will be taxed and how is a crucial component of the estate planning process. Make sure your plan helps you maximize what you leave behind.

3. Be specific and thorough with your beneficiaries and assets.

The more detailed you are with your wishes, the easier it will be on your beneficiaries to honor them. For example, if you want a specific family member to inherit your pet, be sure to include that information in your will.

4. Consider what would happen if you became incapacitated.

Estate planning is not limited to inheritance. Unfortunately, many adults face a period of incapacitation or incompetency, particularly near the end of their lives. The estate planning process empowers you to make medical and financial arrangements that dictate who will take care of you and how if you become unable take care of yourself.

5. Choose your executor carefully.

While you may instinctively believe that your spouse or child is best suited to handle your estate, it may be easier on your loved ones if you name someone who is not as personally invested to handle the extensive duties and demands required of an executor, trustee or guardian objectively.

The most important factor in estate planning is that you work with someone you trust.

Your advisor's firm likely offers a combination of tax, investment and legal services, putting him or her in an ideal position to assist you in estate planning. Contact your financial advisor today to begin creating your estate plan or update it if life events have taken your original plan off course. It's never too early or too late to plan what your legacy will be.

[1] Survey conducted online within the U.S. by Harris Poll on behalf of Rocket Lawyer in 2015.

Socially Responsible Investing 101

By Robyn Schaub, Senior Marketing Communications Consultant at 1st Global

You've likely heard the phrase "put your money where your mouth is." But what about your investments? Through an approach known as socially responsible investing, or SRI, a growing number of investors are putting their money in businesses they believe in.

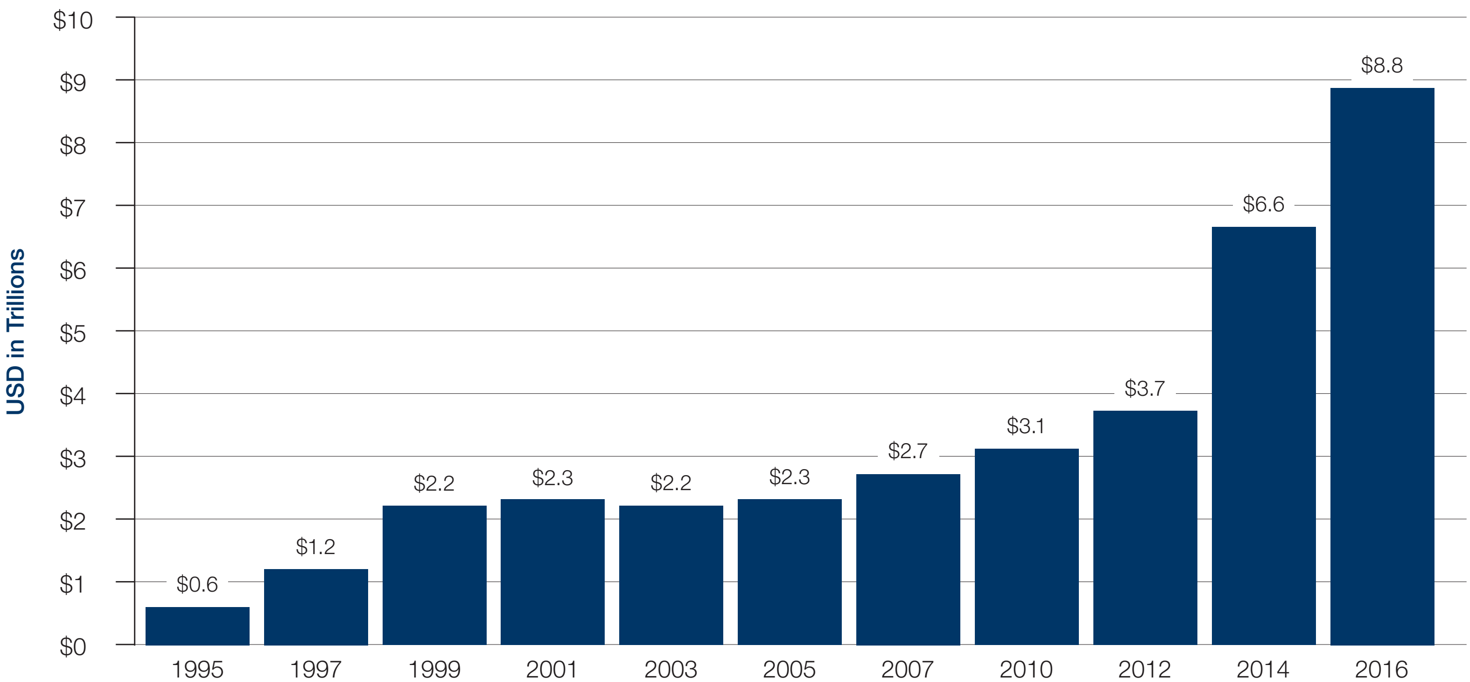
SRI is an approach to choosing investments based on a company's business practices and revenue sources. Socially responsible investors seek to invest in companies that do business in positive and responsible ways.[1] In general, they look for companies that have a positive record on environmental, social justice and corporate governance issues, also known as ESG factors.

Socially responsible investing means different things to different investors. For example, some investors shy away from investing in companies that produce or distribute addictive substances, such as tobacco and alcohol. Other investors actively seek out companies that are developing alternative energy or clean technology solutions. Still others look to invest in companies that promote diversity, fair pay or gender equality.

One driver of the growing movement is the shifting demographics of American investors and the rise of millennials. Roughly nine out of 10 millennials are interested in socially responsible investing, according to a recent study conducted by Morgan Stanley.[2] However, socially responsible investing creates opportunities for investors of all ages who want to align their investments with their beliefs and values.

From 2014 to 2016, sustainable, responsible and impact investing enjoyed a growth rate of more than 33 percent, increasing from $6.57 trillion in 2014. As of year-end 2015, more than one out of every five dollars under professional management in the United States was invested using SRI strategies.[3]

Sustainable Investing Has Seen 135% Growth from 2012-2016 (Trillions)



Source: Report on the Sustainable and Responsible Investing Trends in the United States, 2016. U.S. SIF Foundation, Nov. 2016.

To build a socially responsible portfolio, you can select individual companies with business practices you support, or you can select a socially conscious mutual fund or exchange-traded fund (ETF) that has done the due diligence for you. However, it's important to remember that just because an investment is considered "socially responsible" doesn't mean it will provide a good return. Investors should work with their financial advisor to evaluate all factors to determine if the investment is a good fit for their portfolio. As always, diversification and asset allocation are key.

While it may seem like SRI adds complexity to the process of investing, it's not that different from any other investment approach. You likely already know which social goals are most important to you, so it's a matter of working with your financial advisor to choose investments that align. It can actually be a helpful way to narrow down the vast array of funds available to those that align with your personal values and financial goals.

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1 "Socially Responsible Investment — SRI." Investopedia. Accessed December 15, 2017. https://www.investopedia.com/terms/s/sri.asp#ixzz51LtVVPiB

2 "Are Millennials Democratizing Sustainable Investing?" Morgan Stanley. Accessed December 18, 2017. https://www.morganstanley.com/ideas/millennial-sustainable-investing

3 "SRI Basics." US SIF. Accessed December 15, 2017. https://www.ussif.org/sribasics

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