

The WIT List[®]



A Guidebook
for People in
Transition

WHEN IN **WIT**
TRANSITION

SUDDEN  MONEY[®]
INSTITUTE

*The Financial Transitions Resource Center
for Individuals and their Advisors*

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A special message from



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When a big change occurs and you begin your transition to a new life chapter, it can be surprising to find there is a ripple effect that touches several areas of your life.

This guidebook will help you manage the many components of your transition, cut through some of the confusion and develop your action plan. It is designed as an important first step in managing your transition.

We've named this guidebook the WIT List because it can help you keep your wits about you when things feel most difficult.

In the beginning of any transition, here is perhaps the most important thing for you to remember:

Make as few decisions as you can in the early stages of the transition. Each decision you make will have an influence on your life — and each decision should be made at the right time. Use the Decision Free Zone organizing page to divide your action list into Now, Soon and Later categories.

Introduction

By definition, Sudden Money is rather simple; a significant increase or decrease in your personal financial position. Amounts vary. “Significant” is whatever is significant to you. Sudden Money events can be wonderful or regrettable, planned for or unexpected; yet within the wide range of these diverse events there are profound common denominators that allow us to develop a process and tools universally applicable to all. Some of the more common Sudden Money events are:

Retirement	Divorce
Sale of business	Lottery windfall
Loss of spouse	Inheritance
Career change	Insurance settlement
Sports contract	Change in health

Sudden Money Surprises

Sudden Money is more about change and transitions than it is about the money.

Sudden Money is the result of or the cause of a major life event. In almost all cases, Sudden Money causes a life transition. One of the great surprises of the Sudden Money experience is that the starting point is not the money, it is more about your personal experience than investing and spending. A new financial position may present new choices and require a shift in lifestyle. Finances will be always an essential part of the Sudden Money process but it begins by determining who you are now, what is most important to you, how you want to live the next chapter of your life.

Challenges transcend education, age

The challenges of Sudden Money transcend age, education, gender and sophistication. The common myths about Sudden Money — such as “more money means more happiness,” “educated people fare better than the non-educated,” “men manage better than women,” and “older people make better decisions” — all lead to the surprise that a sudden increase in wealth may lead to as many problems as it may solve. The essential skill set is change management. Even financial services professionals face these challenges when it is their own personal event.

The event does not determine the outcome

We can not control all life events yet we can control how we react to them. The long-term impact of a Sudden Money event, whether it is planned for or unexpected, celebrated or regretted will ultimately be formed by your willingness to pay attention to and then integrate both your interior experience and the exterior responsibilities of the finances. Even the saddest events can lead to a stronger sense of purpose and meaning, while some of the biggest windfalls can lead to the breakdown of an otherwise happy life. Ultimately the choice is yours.

The Transition Landscape

A transition is a time of change. “what was” no longer exists and “what will be” has not yet taken shape. Transitions begin with an ending and end with a new beginning. By definition, it is a temporary state, a time of passage. Transitions are usually unsettling and confusing, yet they offer us a wonderful opportunity to write the next chapter of our life. Managing your transitions for maximum potential is a skill and an art form. Use this workbook to begin to chart and understand what is changing, then gather the information you need and choice-by-choice move closer to the life you want to live.

The Sudden Money Process

The Sudden Money process involves the blending of your personal goals, beliefs, and dreams with your new financial position. There are six phases in our process.

Phase One:	Inventory and Discovery
Phase Two:	Protocols and Scenarios
Phase Three:	Written Financial Plan and Policies
Phase Four:	Implementation
Phase Five:	Review and Refine
Phase Six:	Wealth Management and Stewardship

This workbook is designed with Phase One in mind. It will help you get a handle on the many issues that will need to be dealt with.

One of the hallmarks of the Sudden Money process is the Decision-Free Zone. This is a time period when only the most essential decisions should be made. You could view it as a time-out from making any unnecessary decisions, commitments or large purchases such as a new home.

Our Role as Advisors

You may need to work with several different professional advisors such as an attorney, a CPA, and trust officer.

Financial advisors tend to take a big picture approach; we are trained to integrate the many areas of your financial life — not just your investments. As such, we feel that financial advisors are the professional advisors best suited to be your transition guide, and help you work well with your other advisors.

The WIT List[®]

Guidelines for completing The WIT List

As you review each section of the WIT List, notice what changes have occurred, what needs your attention, and the information and professional guidance you will need before making long-term decisions.

Summarize each section as you go and then build and divide your Action Plan into two separate timelines — actions and decisions that must be done now and those that can be postponed until your transition is completed.

Personal Finances

What are the three most important benefits that money brings to you at present?

As you go through this transition period, what shifts (if any) in your personal finances do you need to make in order to continue to receive those benefits?

What aspects of your finances do you want to preserve during this period?

Income

Circle the ways your income has changed:

Increased Decreased Source Reliability and Certainty
Constant Amount Changing Amount Your control
Others control Have no idea No change

What is the most significant change in your income?

Where will your future income come from?

How do you feel about these changes in your income?

What do you need to know?

What do you need to do?

Expenses

Circle the ways your expenses have changed:

Increased Decreased No change New unknown expenses
New large expense No idea

1. Do you understand your cash flow now and going forward?
Yes Maybe No Comments
2. Do you have any large one-time expenses being considered?
Yes Maybe No Comments
3. Do you know where the money for these expenses will come from?
Yes Maybe No Comments

What is the most significant change in your expenses?

How do you feel about these changes?

What do you need to know and do?

Investment and Retirement Accounts

Circle how your investment and retirement accounts have changed:

Increased Decreased No change Need more income
More complicated Less complicated Not sure
Feels like enough Feels insufficient Have no idea

Comments:

1. Circle the primary purpose of your personal investments:

Grow for Future Create Income Now Future Income
Rainy-Day Funds Security and care for others Pass on to heirs

2. Has there been a change in your ability to withstand risk in your investment accounts?

Comments:

3. Do you understand the risks of each of your investments? Yes No

Comments:

What changes need to be made in your investment and retirement accounts?

How do you feel about the need for the changes?

How will you go about making these changes?

Insurance

What is the greatest benefit adequate insurance coverage can bring to you, at present?

As you go through this transition, what shifts do you need to make in your insurance, to continue to receive this value from your insurance portfolio?

Has your need for insurance changed? Circle Yes No Maybe:

Health	Y	N	M	Home and auto	Y	N	M
Long Term Care	Y	N	M	Life Insurance	Y	N	M
Disability Income	Y	N	M	Professional E&O	Y	N	M

Comments

How do you feel about these changes in your need for insurance?

What do you need to know?

What do you need to do?

Home

When you think about “home,” what is most important to you about it ?

When your present home is at its best, what about it is fulfilling, replenishing and healing for you?

As you go through this transition period, what aspects of your home do you need to preserve, to continue receiving the value that you receive from it?

What aspects do you need to shift, to enhance the value of “home” during this important time?

If you plan to **stay** in the same home, circle the topics you will need to address:

Change of ownership Financing Maintenance Insurance
Property Tax Remodel Decorate Landscaping

If you plan to **move** to a different home, circle the areas you need to address:

Location Rent vs. Own Total Cost Affordability Other

Circle the **impact** your annual housing costs will have on other important areas of your life.

Travel Education Funding Savings for Future None
Some Sacrifice Major Impact Don't Know

What is the most significant change in your home?

How do you feel about the change?

What do you need to know and to do now?

Relationships and Family

Thinking about your closest relationships:

1. What are the most important aspects of the relationships you wish to preserve during this transition period?
2. What aspects do you wish to strengthen during this period?
3. How do you propose to strengthen these elements?

What relationships in your life have changed? Circle all that apply:

Spouse/partner Mother Father Children Siblings
Friends Co-workers Neighbors Other

Who should be involved in your decisions?

Who will be impacted by your decisions?

Are any relationships in jeopardy and requiring more of your attention? Yes No

How do you feel about these changes?

What do you need to know and /or do now?

Legal

What aspect of your life do you want to protect ?

What is the best possible outcome of attending to legal matters?

Circle legal areas that need to be reviewed or changed.

Change beneficiaries
Change trustees

Create new will or trust
Transfers into a trust

No change
Other

Real Estate

Change in ownership
Refinance

Need to Re-Title
Transfer Deed

Buy or sell contracts
Closing

Business

Change in Ownership
Taxes

Liability
Change in Structure

Transfer Shares
Other

Family

Guardianship
Settle Estate

Large Gifts
Distribute Estate Asset

Adoption
Other

Company Benefits

Transfer 401k / 403b
Claim Benefits

Secure Pension
Exercise Options

Continue Insurance Coverage
Other

How do you feel about the need to make these legal changes?

What do you need to know?

What do you need to do?

Self Discovery

Think of an important transition that you successfully made previously in your life. Tell (write) the story of it.

What was changing in your life?

What did this change require of you? What strengths, inner resources and accommodation did it require you to call upon?

Who else was helpful? What did they do?

What did you do to make the transition a success?

What was the outcome?

What lessons did you learn, that we can apply to your current transition?

Each life transition brings some personal change. Circle all that apply to how you perceive yourself now:

Same Focused Sad More Confident Less Confident Overwhelmed
Confused Trusting Optimistic Tired Energized Suspicious Resilient Other

1. What are your important life issues now?

2. How would you evaluate your personal state of health? Excellent Good Fair Poor

3. What are your charitable intentions?

How do you feel about these changes you see in yourself?

What do you need to know?

What do you need to do?

Health

What do you appreciate most about your current state of health?

What is the best possible physical condition you can imagine for yourself in ten years?

How has your health changed? Circle all that apply:

Improved Declined Same More Stress Less Stress
New Concerns New Vitality Other

How has your health maintenance routine changed? Circle all that apply:

More Time Less Time Considering New Options Denial Avoidance

What areas of your life have felt the impact of the change in your health?

Circle all that apply:

Family Friends Career Personal Enjoyment Other

1. Are you currently working with a health care professional? Yes No Need to

2. Does your health care budget include health maintenance and prevention? Yes No

How do you feel about these changes regarding your health?

What do you need to know?

What do you need to do?

WIT Action Plan

Things I Need To Do: After you have made your list go back over it, after each item place a timeline indicator - N for Now, a S for Soon, or a L for Later.

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Things I Need To Know:

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Advisors play an important role in your transition. What kind of advice on what topics do you need after having completed this exercise? List them here:

_____	_____
_____	_____
_____	_____

Decision Free Zone Organizer

A Decision Free Zone is a pro-active time out from making any nonessential decisions. The idea is to isolate the few decisions that are time sensitive and most pressing. All others are divided into the Soon or the Later categories.

Now List

List action steps you feel are essential and need immediate attention. You could also note who you need to meet with to complete each item.

_____	_____
_____	_____
_____	_____
_____	_____

Soon List

Action steps or items that are important to do soon, but do not have the same urgency as the Now List items.

_____	_____
_____	_____
_____	_____
_____	_____

Later List

Your **Later List** may have important items and decisions that need to be postponed until you have more time to organize and plan. It may also include some Bliss List items that would be nice to accomplish once your priority objectives have been achieved.

_____	_____
_____	_____
_____	_____

Bliss List

What

When

How Much—money or time

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Once you have made your Bliss List try to number them in order of your priorities. The list can be done many times as it is normal for your ideas to change while you are in transition.

Your Communication Style

Sudden Money life events are by themselves stressful times that temporarily dilute many of our normal life skills, including communication skills. Yet these are times when we may need to have critical conversations that lead to decisions that will impact us for decades to come.

Personal finance is a very private topic, one we usually don't share with many people in our life outside of our spouse and financial advisor. Because it is private, it is also an infrequent topic and we don't get many opportunities to discover how to have comfortable and productive money conversations.

We all have a preferred style of communicating when we are talking about our money. Finance related discussions are more productive and less emotional when we know one another's communication styles. The following exercise is designed to allow you to quickly identify your primary communication preferences when talking about your money.

Please circle the communication preferences you would like me to be aware of and remember. Only circle the ones that strongly apply to you.

Encourage my input.

Remember my need for control.

Move quickly to the bottom line.

Allow me time to process my response.

Use logic, summaries and key points.

Slow down the pace of communication.

Use graphics and verbal communications.

Invest time in building the relationship.

Be an active listener.

Give direct answers; get to the point.

Offer options so I can decide.

Tell me who is involved.

Soften the tone of communication.

Look for ways to minimize the risks.

Remember my need to analyze.

Expect me to ask you to provide facts.

Do not mistake my lack of response for inattention.

When meeting with your professional advisors, discuss your preferred communication style during the first meeting. You might use a sentence that goes something like this; "When you communicate with me as my financial advisors please remember my tendency to

_____ , my need for _____.

The following exercise was taken, with permission, from the LifePath Financial DNA body of work (www.financialdna.biz). This exercise is a very minor piece of their unique procedure for helping individuals and families identify their financial personalities.

Initial Meeting with a Financial Planner

Here's some of what you want me to know about you:

- What has brought you to this meeting
- What you hope to achieve by working with a financial planner
- Top of mind issues (what feels urgent)
- Who else is involved or should be involved
- What are your highest hopes
- What is your greatest fear
- Your communication style

Here's what you need to bring to the first meeting:

Bring your latest investment and savings account statements. Be prepared to discuss personal as well as financial issues and bring along an estimated current budget outlining your monthly expenses and gifts.

Please have a list of important questions that you have about the financial review process or about me and my process.

Also bring your spouse or anyone who will be involved in making decisions with you.

If your emotional climate is turbulent, it might help to bring a trusted friend or family member to the meeting. Sometimes two sets of ears are better than one.



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