

Brad Brain: Clean up your junk!

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Smart Money



Brad Brain: "If you don't clean up your junk, it means that someone will eventually have to clean it up for you, and they probably won't have the benefit of knowing what you know. That might mean you are leaving it for your kids to figure out if that old statement from 2004 that they found in the bottom of a drawer is for an account that still exists. Trust me, this is no fun for anyone."

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People who know me know that I operate in clutter. I always have stuff everywhere. That's just the way I am. If I am not doing multiple things simultaneously then I feel idle. Some people will look at this and shake their heads, others will see the resemblance to how they get their own stuff done.

Separate from this, one morning I am not going to wake up. That's sad, I know, but it happens to all of us.

Put those two things together and one day someone, probably my kids, is going to go through my house and say things like, "Look at all this stuff! Why did he keep my hockey skates from back when I was in Peewee?"

There is one good thing about this situation though, and that is that I work with a great team that know my financial affairs. When something happens to me it won't be hard for people to figure out where I have my will, my bank accounts, my safety deposit box, my investment accounts, what I have for insurance, and so on.

But most people don't work in a financial planning office. Chances are that you do not have a team that knows where all your stuff is. But you should.

Every year we get calls from somebody who found an old stock certificate in a loved one's safety deposit box after they have passed away, and they are wondering if it has any value. And, in these cases, they rarely do. But still people hang onto these old things anyway.

Even the people that hold garage sales to get rid of their old, useless junk don't seem to get rid of their old, useless paperwork. Folks, you might know that the company that you used to own shares in went out of business years ago, or that you transferred your RRSP from the green guys over to the blue guys, or that you cancelled that insurance policy when your mortgage got paid down, but who will know all these things once you are gone?

If you don't clean up your junk, it means that someone will eventually have to clean it up for you, and they probably won't have the benefit of knowing what you know. That might mean you are leaving it for your kids to figure out if that old statement from 2004 that they found in the bottom of a drawer is for an account that still exists. Trust me, this is no fun for anyone.

If you really want to keep your old paperwork for posterity's sake at least staple a note to it if there is any relevant information to inform people know about; for example, if you transfer an account from one institution to the next. Tracking down ghost accounts is a frustrating, time consuming job, often with no payoff. Is that really what you want to saddle your kids with after you are gone?

So here is what I want you to do: I want you to make a list of all the things that you want people to know when you are not here to tell them: all the financial institutions that you have accounts at, where your will is located, where your passwords are stored, what kind of treats your pet likes, where the spare keys are. Pretty much anything that you don't want to have

beneficiaries guess at when you aren't here to tell them yourself.

This isn't estate planning, its just housekeeping. Make an inventory, store it in a secure location, and then let your trusted beneficiaries know where to find it. These are the ways that you can point people in the right direction the day after you don't wake up.

Clean up your junk! Meanwhile, if anyone is in the market for some Peewee hockey skates, just let me know.

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