

# What Do I Do With All of This Money?

*Just because it's a nice problem, doesn't mean it's not still a problem.*

Provided by DSA Financial Group

**Here's a scenario for you:** You pick up what appears to be a lottery ticket. You check the numbers for a laugh and discover a winning combination, offering you millions of dollars in prize money. What are the chances of that?

The next day, you get a call from a lawyer. "Uh-oh," you think. It turns out he works for your Aunt Gertrude's estate. Just before her passing, she decided not to establish a charity for homeless cacti and other wayward succulents, and has instead left her vast estate in your hands.

The day after that, you get a call from a Silicon Valley tech billionaire who wants to make an offer on your small startup company and all of its patents. The deal goes through. In a matter of days, you are wealthy beyond the dreams of King Midas himself.

Yes, these circumstances are improbable. You have a better chance of being killed by lightning or being hit by falling airplane parts than you do of winning the lottery. And in terms of a large inheritance, your elders are more likely to exhaust their assets than have much to leave behind. That said, these windfalls do happen, and sometimes to people who least expect them.<sup>1,2</sup>

**What if it happens to you?** There is no shortage of ways a large financial windfall could get the better of you. First on the long list of things to avoid is spending it too quickly. Another is neglecting any tax obligations that come with the money. You may also simply not have the knowledge it takes to manage your newfound wealth on your own. It comes down to the choices that you make with that money and what is guiding those choices.

**The fiduciary responsibility.** Your wisest course of action is to seek out someone with the skills to make fully-informed, objective financial decisions, such as an experienced financial professional. Their fiduciary responsibility means that they will help you build a strategy with your best interest in mind. They know what to look out for, with skills and knowledge to help you cultivate your windfall into something that could support your overall financial goals for years. They will speak frankly with you about your objectives, risk tolerance, and any issues related to your time horizon (for example: does your windfall enable you to retire early, or would it be wise to work a few more years before retiring?).

A financial professional can also offer a holistic support network, with connections that can help you build a team of trusted experts. Assuming they don't handle tax matters themselves, for example, they may be able to introduce you to a tax professional who can help.

If a windfall has come your way, or you anticipate inheriting money or selling your company, be sure to speak to a financial professional early on. It may make the difference between a nightmare and a dream come true.

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#### **Citations**

1. Investopedia.com, January 26, 2020
2. blog.massmutual.com, July 28, 2020