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# The Need for Responsible Planning

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## What If You Were to Die Today?

Many individuals recognize the benefits of planning for the future. Such efforts often uncover problems and frequently provide the motivation to make needed changes. For the most part, the issues involved are positive and enjoyable (e.g., retirement, well-educated children).

However, planning for the unexpected – known as risk management – can be less pleasant. A key part of risk management is answering the question, “What if I were to die today?” Preparing for an untimely death is often referred to as “survivor benefit planning.” A subset of estate planning, it addresses the need to keep one’s family in their current world, financially.

Understandably, no one likes to contemplate his or her own demise. For some, death seems a distant, future event. Others are simply too “busy.” Whatever the reason, delaying this part of planning can result in expensive, unintended, even tragic consequences.

### Survivor Benefit Needs

The ultimate purpose of survivor benefit planning is twofold: (1) to ensure that the ongoing income needs of the survivor(s) are met, and (2) to provide for immediate lump-sum cash needs.

- **Income needs:** How much income will the survivors need, now and in the future, to cover the following:
  - **Household living expenses:** Will the family stay in the same house? Can they afford to? Do they want to? Will they have the option?
  - **Additional childcare:** Will there be a need for more help with young children?
  - **Educational expenses:** Will there be enough money for the children to go to college?

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- **Lump-sum needs:** How much will the survivors need immediately and in cash?  
Consider the following:
  - **Final expenses:** More than the funeral, this includes unpaid medical bills, which, after a long illness, can be substantial.
  - **Estate settlement costs:** Probate expenses, attorney's fees, death taxes, etc.
  - **Mortgage payoff and debt reduction:** Will it be important to provide a paid-off house? Are there debts that should be retired?

### One Final Question

If you died today, would your plan be ready?

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