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Welcome. My name is Andrew Baron, and this is Well... It Depends! the podcast where I present the pros and cons of different financial decisions so that you, the audience, feel better informed when you are confronted with these decisions in your own life. In this episode, I ask the question, What do I do with a Large Inheritance? Well... It Depends!

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Is sponsored by my firm John G. Ullman and Associates. We are a team of financial planners, research analysts, tax specialists and support staff all working together to give our clients a comprehensive experience. If, after listening, you'd like to discuss your situation with one of our financial planners, including me, please email [info@jgua.com](mailto:info@jgua.com). But before we begin a short disclaimer. This is being recorded on December 21st, 2022.

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The contents of this podcast are strictly for informational purposes only and nothing said should be taken as investment, tax or legal advice. Any strategies discussed may not be suitable for listeners specifically, and so we strongly encourage consulting with your advisor before implementing any strategies to ensure they meet your individual objectives. Getting into it. What do I do with a large inheritance?

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Well, it depends. If you have a well-to-do family member, you might think a large inheritance is in your future. But before banking on it, there are a few things to consider. First, until you receive it, don't assume that it's yours. No matter how wealthy you think someone might be, things can always change. They may end up using a lot of their assets for end of life care, or they may decide that they'd rather put things towards charities.

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Don't make any sudden decisions. Grief is a very strong emotion and can make us more impulsive than we might otherwise be. Therefore, before you spend anything on expensive homes or vehicles, consider what else is going on. Also, don't make any sudden decisions to quit your job. Even if you feel like you have enough money to do so, there are many factors into going into retirement, especially if you are retiring early.

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Evaluate your financial position. Once to actually have the assets, review your overall portfolio to see if there are any gaps. Such as, do you have sufficient emergency savings? Are there any debts that you can either pay down or refinance? And can you contribute more to your retirement accounts? Receiving a large inheritance is not permission to spend recklessly, but it can help fix some of the gaps that you may have had.

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But it cannot fix bad behavior. Consider working with your advisor to position your portfolio to better align for your priorities. This can come into play, such as in the assets you're receiving. While it may have made sense for your loved one to be invested a certain way that might not be true for you. However, selling these assets may have tax consequences that advisor can lead you through. Depending on the state residency of your past one, there may be an inheritance tax that you're subject to.

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An advisor can better prepare you for this as well. To recap, no one is entitled to an inheritance. And until the money is in your name, it is not your money. Try and keep a level head and don't make any drastic changes to your life. Evaluate your financial position.

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If you had problems with not saving enough, debt or underfunding for retirement, now can be a good time to make adjustments and fill in the gaps. Consider working with an advisor. They can help you

position your investments for the long term and prepare you for any tax consequences that might be lurking in your future. So answer the question, what do I do with a large inheritance?

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Well... It Depends!

Speaker 1 – Andrew Baron, CFP®, EA