I’m Worth More Dead Than Alive

“*Meredith, I’m worth more dead than alive. She will just remarry and be fine.”*

Can I tell you how often I hear this in my office?

Note the gender specificity in this. It is simply because I hear this from male clients and prospects. I’m not being critical of men - I just haven’t ever heard a woman say this in my office in 18 years.

So, let’s demystify the statement, “I’m worth more dead than alive.”

1) **Men are the ones that typically remarry**. I have yet to have a female client over 55 who lost her husband that was in a big hurry to remarry. Younger women that lose a spouse, however, may be in a different situation. They could have kids or economic necessities that may have them considering marriage more quickly than their older counterparts.

2) **It’s a cop-out statement based on fear.** Meredith’s theory #403: There is a real fear of feeling like your spouse might have a better lifestyle than you do at this time. There’s also a negative psychology with large life insurance dollars going outright to your spouse or beneficiary designation.

3) **Life insurance settlements do not have to be issued outright.** If you have a fear that you will be making your current spouse “rich,” life insurance or other monies can be distributed over time.

This simply means that they don't have to get a large check to their name personally. Many of our clients consider using marital trusts. Marital trusts allow your spouse to access annual income and principal, for the purpose of health, education, maintenance and support. By using a marital trust, it's protected from a "parade of horribles" that may include creditors, predators and potential future divorcing spouses. Also, should she/he pass away, the monies can go back to your kids, so that a future spouse would never see these dollars.

4) **Like it or not, you are a money making machine.** Consider this, if you make $100,000 per year in income, our favorite Uncle Sam in DC plus others will take $40,000 annually. Therefore, you are kicking out $60,000 per year in actual net income. This "money-making machine" allows you and your family your current lifestyle. So, if you had a money-making machine printing money in your garage that kicked off 60K per year for 40 years, you likely would make sure you had insurance on this machine. Think about it - over the machine's lifetime it would create $2.4 million dollars, and this doesn't assume any interest on this money.

Just because your balance sheet right now might not be as high as a death benefit that you have, doesn't mean that your future earning capabilities aren't strong. Similarly, it doesn't mean that you spouse/family/philanthropic causes won't continue to incur annual expenses when you are gone. Similarly, I suspect that 10x your current income before taxes is your largest asset.

Proper estate planning and designing how your assets pass to heirs and to philanthropic causes, as well as attorneys and the IRS, are simply a choice. Ironically, you have full control on how to structure this. People leave monies to heirs and charities out of love.

It is important to note that doing nothing and leaving a mess is an option, too.

My challenge to you: Face your own psychology. Talk with not just an estate attorney, but with your comprehensive financial planner to create a flow chart of how you want things to pass and objectively walk through everything. All the insurance, assets, businesses, and real-estate you have are inextricably linked.

So gentlemen (and ladies who are guilty), let's dispense of this lame excuse, and I respectfully ask that after reviewing this article, you can consider rethinking how you, if at all, would like to leave monies to your spouse and family.

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