A NOTE TO SENIORS ABOUT FINANCIAL PROCRASTINATION

We all tend to think of procrastination with a smile. After all, isn't procrastination only human, a little foible we can forgive ourselves, the way we forgive ourselves for putting on a couple of pounds at Christmas? Just as weight gain can become a health threat, however, so can procrastination become malignant, and this malady is the single greatest enemy of sound financial planning for seniors.

Sometimes people are guilty of malignant procrastination and mistakenly think of it as "patience". Patience is a fine virtue, but one must ask what he is patiently awaiting. Death? Taxes? Invasion of privacy? Inflation? Loss of competence? Some of these are certainties and others scary possibilities, and all should be addressed in your financial plan - today, not tomorrow.

A greater virtue than patience in financial planning may be persistence. Yet even exceptionally persistent people put off their planning, often without admitting it to themselves. They decide that such a formidable task requires ones full attention and so should wait until after the distraction of the Christmas and New Year Holidays, then after the Spring gardening, then after the Summer yard work and visits from the kids and grandkids, then after the Fall ball games and church activities, then after Thanksgiving and Christmas and . . . Uh-oh.

Since most people will never find the time to gain the necessary financial, investment, and tax expertise to do it all themselves, they need professional help. So why don't they take the small amount of time required when working with professionals and get it over with - what are they avoiding?

Trusting.

Senior exploitation is at an all time high. Why? Because many seniors have trusted the wrong people. They judged trustworthiness of a person based on how friendly he was, or a shared church or club membership, or, most commonly, on a family relationship. Taking advantage of these relationships was more comfortable than seeking out a credentialed professional with references. What a horrible price these seniors paid for that comfort.

You have worked too hard, saved too long, to take such chances with your wealth. Some people's response to that threat, however, is to pile all their money into low interest certificates of deposit, believing that nothing bad can happen to their money in a federally insured account. Wrong. Income taxes happen to it. Inflation happens to it. It isn't protected from frivolous suits. And what happens when you die without adequate planning? More income taxes? Estate taxes? Unwise distribution to spendthrift heirs?

Please, take the following advice: find a professional.

Here's how. Look for someone who specializes in working with seniors, who has extensive education and many years experience in financial planning (not only investments), who has professional certifications and is a member in good standing of appropriate organizations, and who can provide as many references as you care to contact. Also, note how much attention the advisor gives to understanding the facts and feelings of your situation before making recommendations. If recommendations are made without that effort, let that be the red flag of incompetence or worse. Go elsewhere.

There is peace of mind in knowing you have done a good job of investment and planning. There is peace of mind in knowing that when you want to tweak your personalized program, or required some other service, a simple phone call or short meeting with a trusted expert is all that's necessary. Such peace of mind is something to smile about. Procrastination is not.