



# CITY & SHORE

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TRAVEL

## SIX TIPS FOR DEALING WITH A FINANCIAL WINDFALL

In The City — 04 December 2015



By Robyn A. Friedman

Did you win the lottery? Inherit some money? Perhaps you're expecting a significant bonus at the end of the year?

No matter how you come into sudden wealth, it's essential to adequately plan and budget for it — or else you could lose it just as quickly.

"People would be surprised how easy it is to squander that newfound wealth," says Shomari Hearn, a certified financial planner and vice president of Palisades Hudson Financial Group in Fort Lauderdale. "If they didn't have a good financial education prior to receiving that money, it's too easy to spend on conspicuous consumption and to think there's no way you could blow it all."

But you could — easily. So if you're tempted to invest in your neighbor's latest get-rich-quick scheme or purchase an exotic car, well, don't. **Here are tips for handling sudden wealth responsibly:**

Stop. Don't act for at least three months. "The worst thing is to do something impulsively at an emotional time," says Mari Adam, a certified financial planner in Boca Raton. "Think it through, write down your goals for the money and avoid making any financial decisions."

Get help. Put together a team of qualified professionals to advise you — accountant, attorney, certified financial planner or other wealth manager. Not only will they provide valuable advice, but they can also protect you. "When you inherit money or get a windfall, the first thing that's going to happen is people are going to come out of the woodwork to ask you for favors," Adam says. "Most people cannot say no, so hire someone else to be your financial bodyguard."

Don't ignore taxes. Some windfalls, such as inheritances and divorce settlements, are usually not taxable, but most others are. Your financial advisor will compute the amount you owe — and tell you when to pay it.

Pay off "bad" debt, Hearn suggests. That includes high-interest debt such as credit card bills. Consult with your advisor before paying off "good debt" — debt that helps to create value, such as education loans or mortgages. Mortgages, for example, offer tax breaks.

Create a budget to ensure you don't overspend. "It's not as much as you think it is," Adam says. "Once you take out taxes, pay everyone who needs to be paid and then determine how much you can spend every year without running out of money, it's not that much."

Do some estate planning. You want to be sure that the wealth you now have is preserved, grows and gets



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**A round of South Florida beer events**

South Florida BrewFest, noon-4 p.m., Saturday, Nov. 7 Name a local brewery and it will be participating in the fourth annual South Florida BrewFest at Florida International University's Biscayne Bay Campus, 3000 NE 151 St., North Miami. The festival brings together breweries, brewpubs and home...

**TV's Gordon Ramsay dines at Fort Lauderdale's ROK:BRGR**

TV's "Hell's Kitchen" chef Gordon Ramsay had dinner last week at the Fort Lauderdale ROK:BRGR in Himmarshee Village. Ramsay caught up with Bret Hauser, a former "Hell's Kitchen" contestant who's now chef at PizzaCraft. ROK:BRGR and PizzaCraft are owned by Fort Lauderdale-based J.E.Y. Hospitality...

 **THE GO GUIDE**

**Girls' night in with Bulletproof Stockings**

Brooklyn's all-female Hasidic Jewish alt-rock band brings the girl power to Kelly Brothers Irish Pub in Fort Lauderdale.

**The best mystery novels of 2015**

What makes a mystery land on the best of the year's list? The perfect melding of strong characters, unusual plots and evocative settings that make the novel stay in this reader's mind long after the last page. Here are the top 15 best mysteries of 2015, the top 5 debuts, and a few bonus books [...]

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