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| |  |  |  |  | | --- | --- | --- | --- | | |  |  |  | | --- | --- | --- | | **Make Smart Choices When Living off a Trust Fund**  **You may be the beneficiary of a trust fund that provides you with a comfortable lifestyle. However, you can jeopardize your wealth through reckless overspending. Consider these tips to manage your wealth over the long run.**  Your trustee has a lot of power over your income and lifestyle. It’s a smart move to shift the balance of power in your direction by using your trust income to build additional wealth rather than frittering it away.  **Understand the trust terms.** Trust funds often come with strings attached by the trust grantor. The amount you receive may be contingent upon how well the trustee manages the trust assets. You also may have to observe certain constraints on your behavior. To budget successfully, you need to understand how much you will receive, how long you’ll receive it, how your income can vary, and how you’ll be taxed.  **Live within your means.** It’s all too easy to live exclusively on your trust income. As alluring as it might seem to spend it all, doing so makes you vulnerable to eventually running short of money or worse yet, falling into debt. The smart move is to establish a budget that includes using your income to build secondary income sources. The goal is to leverage your trust income to increase your wealth.  **Build your assets, reduce your liabilities.** Trust income that seems comfortable today might feel less so in 10 or 20 years, especially if that income doesn’t keep up with inflation. It therefore makes sense to consider taking steps to reduce or eliminate your debt, selecting tax-advantaged insurance products, and creating a long-term investment plan. Your investment assets should complement rather than duplicate the trust’s assets in order to manage overall risk.  **Be tax smart.** Generally, you can’t contribute trust income to an IRA or 401(k), so it’s smart to choose other investments to help manage your tax bill. Ask your financial professional about the potential benefits and risks of the following: municipal bonds, index exchange-traded funds, preferred securities, and real estate investment trusts. Also ask about the possibility off adding alternative investment to your portfolio.  **Your trust fund presents you with golden eggs.** Have a plan and make smart choices so you don’t overspend or invest recklessly. I invite you to contact me today for a complete review of your financial plan to see if you’ve made the smart moves necessary to help preserve and grow your wealth.   |  |  | | --- | --- | | |  | | --- | | [LET'S CONNECT](mailto:##AdvisorEmail##) | | | | |