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Richard P. Slaughter Associates Inc.

Brooks Slaughter, MBA, CFP®, President and CEO

“What do you do with sudden wealth?”

By Brooks Slaughter

Your dream has come true. You have suddenly come into a substantial sum of money. Now what?

The complications of sudden wealth can threaten a windfall's security. The way you achieve wealth also can significantly affect how you approach your financial goals and manage your investment strategy.

SUDDEN WEALTH SOURCES

Wealth often arrives without warning through inheritance or life insurance proceeds. A more planned, albeit still sudden, route to wealth is through the sale of a business or liquidation of a large stock position.

In each case, the windfall can dramatically change your level of wealth or liquidity, introducing both problems and opportunities.

You now must deal with significantly different budget, cash flow, investment management, asset protection and tax- and estate-planning concerns. How much can you spend? How do you protect your new wealth? If the windfall will allow you to retire, what do you do with your newfound time and energy? How will your spouse react to this new life?

Both you and your current advisor may be challenged by these new financial considerations.

EMOTIONAL ISSUE

Sudden wealth also often evokes emotional responses.

An inheritance or life insurance payout often follows a loss and creates expectations for decisions by you during a time of mourning and adjusting to a new life without your loved one. If the person you've lost was your spouse, and he or she managed your finances, you may not have sufficient investment or business experience to deal with the finances.

Even when you are in more control, such as selling a business or liquidating a large holding, you face new challenges. In addition to being nervous about giving up control of your business, you must now invest the proceeds. You may be extremely knowledgeable about the specific industry where you spent much of your career, but now you are essentially starting over in managing the windfall.

IMPLEMENT A STRATEGY

A wealth-management strategy can help ease the practical and emotional anxieties that arise from sudden affluence.

First, move deliberately. Your emotions may be influencing your actions. Take time to reconcile them before going forward. During that process, don't make any major financial changes. Rushed transactions, such as building a multi-million-dollar dream home, investing in your nephew's "great idea" for a business or taking delivery of funds in your own name are often costly and irreversible.

Next, seek professional help for your newfound wealth.

Find an advisor—this may or may not be your current counsel—with the credentials and experience of working with people with your new level of wealth. Seek advisor recommendations from those who acquired wealth in a similar manner and who have had success in maintaining and growing it.

Look for a fee-only financial planner, preferably a certified financial planner™ professional who is not compensated for recommending certain products or making referrals. Your financial planner also should be part of a cohesive team that includes an investment manager, CPA, estate-planning attorney, insurance specialist and any other professionals necessary for your situation. We have found that it is best when team members do not all work for the same company, but do communicate well with one another.

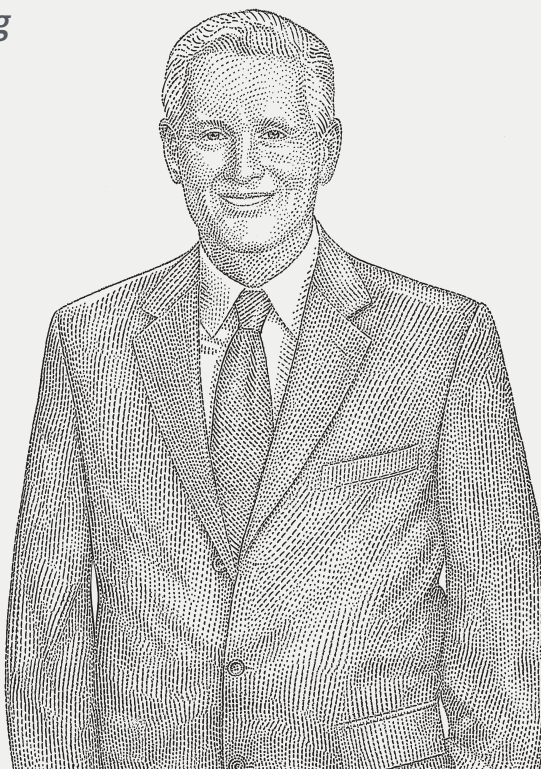
Finally, find an advisor who is willing to help you understand your sudden wealth and to be a committed teacher. Our experience has shown that educated clients working in concert with financial advisors can help better ensure that the suddenly realized dream of wealth remains a reality. ☺

“The windfall can dramatically change your level of wealth or liquidity, introducing both problems and opportunities.”

—Brooks Slaughter

How to reach **Richard P. Slaughter Associates**

You can reach any member of our team at 512.918.0000.
We look forward to speaking with you.



MY FAVORITE SPORTING EVENT OF ALL TIME...

The 2006 Rose Bowl game between the Texas Longhorns and USC Trojans. The atmosphere and incredible finish combined for a once-in-a-lifetime experience.

MY MOST INFLUENTIAL PROFESSOR...

My undergraduate professor in electrical engineering, who encouraged a lifetime of learning. His favorite quote was, “If you aren’t growing, you’re dying.”

About Richard P. Slaughter Associates

Richard P. Slaughter Associates is a leading wealth management and financial planning firm, specializing in working with high net worth individuals, families and businesses. Slaughter Associates cultivates a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management and by coordinating with all financial service providers such as tax, insurance and estate professionals as well as administrators and record keepers to retirement plans. The result is a holistic approach, unique in a financial industry that is often segmented and outsourced. By committing to each of these important components, Slaughter Associates charts a path to reach the individual financial goals of its clients. Founded in 1991 in Austin, Texas, by Richard P. Slaughter, Slaughter Associates is one of the original fee-based firms in the nation. Through its subsidiary, RPS Retirement Plan Advisors, Slaughter Associates works with corporate clients by providing 3(38) fiduciary services, which help mitigate risk for plan sponsors and secure retirement readiness for employees. With offices in both Austin and the Dallas-Fort Worth Metroplex, Slaughter Associates has been recognized by the National Association of Board Certified Advisory Practices as a Premier Advisor and has been given Exemplary status for expertise in personal risk management.

Assets Under Management
\$350 million (as of 1/31/14)

Largest Client Net Worth
\$20 million

Minimum Fee for Initial Meeting
None required

Minimum Asset Requirement
\$500,000 (investment services)

Website
www.slaughterinvest.com
www.rpsplanadvisors.com

Compensation Method
Asset-based and hourly fees

Professional Services Provided
Planning, investment advisory and money management services; 3(38) fiduciary advisor

Primary Custodians for Investor Assets
Charles Schwab & Co., Pershing and TD Ameritrade

Association Memberships
Financial Planning Association, The National Association of Personal Financial Advisors

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