

## **You Can't Take it With You**

### **spending your kids' inheritance before it's too late**

I need to tell you a story, and the message it carries is important for everyone. This tale is about a friend I'll call Sam. Up to now he's led a good, industrious life, one that many would regard as financially rewarding. Over the years, Sam and his wife saved for the future, buying a number of properties which they continue to rent out. The income from these investments, plus a fair amount of superannuation accumulated during his working life, and an age pension which he only recently qualified for should have seen the couple set for a comfortable retirement. Less than a week ago, Sam suffered a stroke. He was also diagnosed with mild dementia. Suddenly, those golden years they were both looking forward to had to be put on hold and the dream of a lifetime has flown.

This is the same one that so many think about: being able to do all of those things that would only come with retirement. Sam and his wife were like that a few months ago as they began preparing for a carefree journey of discovery. The old caravan was traded in on a new one and they tried it out on a couple of short runs – great! It would be their mobile home as they roamed far and wide, seeing those places they'd never had the time to visit before. That was then; now they are talking of selling it because, as an unfortunate side-effect of the stroke, he has lost his peripheral vision and can't see well enough to tow a trailer. His wife is unable to take over because the 4-wheel drive's too big for her. Anyway, it's a manual transmission which she can only handle in small doses, so that will also have to go. Maybe none of this really matters, not in the light of Sam's current reluctance to stray far from a home that, for the moment anyway, he still remembers as a place of comfort and safety.

Sam's is not an isolated case, neither is it down to fate or bad luck. The struggle for acquisitions, wealth, status and financial security is a popular occupation. That these things will eventually bring happiness is a misconception, because by the time enough is considered to be enough, many who have been striving long and hard to achieve the desired level will face the harsh reality that this effort can exact an extremely high price. Having pushed themselves to the limit, they are either too mentally stressed and worn out to enjoy what they have spent a lifetime building, or have made themselves physically incapable of doing much more than bemoaning what might have been.

Life is considerably shorter than is realised, especially in the early years. Time dedicated to ensuring a rosy future is never wasted, but everyone has to reach a point when those provisions have been met, or close to. Here is where many go wrong. It's the old story of the millionaire who can't spend a penny because he won't be a millionaire any more. So, he continues to push on, adding another thousand, or two, or fifty, just as a buffer. Before long he's approaching the two million and to pass that next milestone becomes an obsession. Friends may ask him why he drives himself so hard. His answer might be anything from a passion for work, to not knowing what he'd do without it; also to leave the kids a tidy sum. Rarely will people like this draw the line and quit work, then spend the remainder of their lives reaping the rewards of their own labours. Even if they did, how long would it last? All too often, once the pressure that has been keeping them alive is off and they finally begin to relax, it seems mind and body can't take the strain of doing nothing and something happens like it has to Sam. Then, it was all for nothing; all, that is, except for the kids' inheritance.

We've seen the signs on the back of caravans and Winnebagos: "Spending Our Kids' Inheritance" and that always raises a smile. At least someone has got the message, hopefully before it proves too late, and I'd like to think they are harbouring no feelings of guilt whatever. It is selfish in one respect, but in another it is quite the opposite. They are, in effect, considering their children who would be grateful for an eventual bequest, but would trade it any day for the joy of having their parents around for many years to come. And if the olds do spend it all, good luck to them – they earned it.

Putting it in perspective, these lucky people are probably already getting on a bit and are in their 50's or 60's. Younger generations will eventually reach that stage and may have a yearning to become grey nomads themselves; but, for now they convince themselves that there is no option but to soldier on. Maybe so: everyone has to live, progress, and the kids can't pay their own school fees or feed themselves; and if their clothes don't have designer labels they whinge like blazes. With a blink and a sigh they are back on the Yellow Brick Road and OZ is way beyond the horizon.

**STOP!** It may not be practical to throw caution to the wind and take early retirement, but do you truly have to be so cruel to yourself? Surely you can take a break once in a while, do something that will help recharge the batteries, relieve stress and make you a healthier, happier person? You might have your heart set on an extended vacation in a tropical paradise, or aboard a luxury ocean liner; some day in the future, though. What if that day never comes; instead the one that does is like Sam's; what then? I can almost guarantee if that happens, you'll be looking back in regret, wishing you'd eased up a bit, perhaps taken a break when the opportunity arose, something simpler that wouldn't have cost the earth. The dream would still have been there; and that lesser taster might have helped make it happen. No, those interim rewards could never be quite the same; but think of them as investments for the future, stepping stones taking you through to retirement in good enough condition to finally appreciate it.

Life is what you make of it. You can only sit in one chair at a time, and as long as it's comfortable, does it really matter that it didn't cost a fortune? You can't take that with you either, so enjoy it while you can.



**FOOTNOTE:** Our New Year's resolution – to relax the pressure and reduce stress. So, in future we will continue publishing Money Matters articles at the beginning of each second month, but won't be advertising the subject beforehand. Hope you don't mind.

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