

Morgan Stanley

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New Parent Preparedness Checklist

The Perspective Group at Morgan Stanley

Life is about change. As you progress through different stages of your personal and professional life, you will face a succession of financial opportunities and challenges. Your financial goals and priorities may shift or evolve, and your wealth management strategies will need to adapt to keep pace.

Throughout your life, you will move through four stages of wealth: Accumulation, Preservation, Utilization and Transfer. These stages overlap, and the transition between stages may be gradual. Your path through the wealth management cycle is rarely linear and transitions can be abrupt. Given these intricacies, you need comprehensive, customized wealth management strategies that match your lifestyle and your career trajectory.

Here is an approach to thinking about – and planning for – your future and family during every chapter of your personal and professional journey.

To get started, review the New Parent Preparedness Checklist. The checklist is organized into 10 categories centered on helping you preserve your wealth against future market disruptions.

NEW PARENT PREPAREDNESS CHECKLIST

1. Portfolio Review: What refinements need to be made in consideration of the new stage of life and the new challenges the family must prepare for?

2. Family Generational Gifting Strategy: establish wealth transfer from grandparents to parents or grandchild

3. Formal Financial Plan

- Clarify long-term goals
- Set up digital information and investment monitoring

4. Budget/Cash-Flow/Savings Strategy: establish strategic planning around near-term quality of life, educational and childcare costs

5. 529/College Funding Strategy: establish strategic planning/financial goals for parents, grandparents and other family members

6. Review Liabilities, Lines-of-Credit and Debt Management Strategy

7. Roth IRA/Grandchild-as-Beneficiary Strategy: establish with employed grandparent(s)

8. Insurance Review: perform a comprehensive beneficiary review of all policies

- Life insurance: Obtain standard or expanded coverage for parents and/or new family member
- Health insurance and health savings account(s) (where applicable)
- Disability insurance
- Umbrella liability insurance
- Which policies need to be updated and/or expanded
- Which need to be acquired?

9. Documentation

- Draft or update will
- Trust and wealth-transfer strategy (where applicable)
- Powers of attorney
- Advance medical directives
- Social Security Numbers

10. Wealth-Transfer Strategy: include godparents and relatives in the discussion of a survivorship strategy

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