



NAVIGATING A SUDDEN WEALTH EVENT

A Guide to Help Secure your Financial Future

Experiencing a significant influx of wealth, whether from a legal settlement, inheritance or sale of a business, is life-changing. But navigating what comes next can feel overwhelming. Without a plan, it's easy for this wealth to drift away—taxes, big purchases and unplanned expenses can quickly erode it. This guide offers a practical, grounded approach to preserving and making the most of your new financial situation.

Wealth is more than a number.

It's an opportunity to create a legacy and build a secure future.

Section One

Take a Breath & Assess your Immediate Needs

- Handle Debts Wisely
- Prepare for Taxes
- Set Up an Emergency Fund
- Prepare Personal Financial Statement

Section Two

Define your Short-and Long-Term Goals

- Short Term Goals
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Section Three

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- Investment Strategy
- Structured Settlement Options
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Section Four

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Section Five

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- Setting Boundaries with Friends and Family
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Section Six

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- Set Milestones and Track Progress
- Regularly Review and Update your Plan



Section 1: Take a Breath & Assess your Immediate Needs

It's tempting to make big moves quickly, but for the first several months, avoid making any major decisions. Let the initial excitement wear off to prevent emotional, impulsive reactions that could lead to poor choices. Instead, take stock of your situation and focus on developing a well thought out plan. There are immediate financial considerations that can set you up for success down the road.

- Handle Debts Wisely:** If you have high-interest debts like credit cards or loans, prioritize paying these off first. Eliminating these obligations early on can free up cash flow and save you money in the long run. Once you are debt-free, make a commitment to stay out of debt by managing your finances wisely and avoiding unnecessary borrowing.
- Prepare for Taxes:** Depending on the source of your wealth, there may be taxes to pay. Set aside funds now to avoid any surprises later. Work with a tax advisor to help you reserve enough to cover potential tax liabilities, and consider making estimated payments if your tax bracket has changed.
- Set Up an Emergency Fund:** Financial peace of mind starts with knowing you have cash on hand for life's unexpected events. Aim to set aside three to six months' worth of living expenses in a liquid, easy-to-access account.
- Prepare Personal Financial Statement:** Accurate financial statements provide a clear picture of your financial health. Adams Brown can assist in preparing a detailed financial statement to help you track your assets, liabilities, and overall financial condition. This transparency is essential for making informed financial decisions and planning for the future.

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Section 3: Create a Wealth Strategy that Works for you

Building a strong wealth strategy means choosing the right investments, structuring cash flows and preparing for future needs. This process is about making your money work for you, not the other way around.

- Build your Team of Advisors:** Consider enlisting a financial advisor, tax specialist, estate attorney and insurance expert. Together, they can help you navigate every aspect of your wealth management plan, from investments and taxes to legal structures and asset protection.
- Investment Strategy:** A diversified portfolio can help you balance potential growth with the appropriate level of risk. Investing doesn't have to be complicated. With your goals and risk tolerance in mind, Adams Brown financial planners can help you design a portfolio built to support both your immediate needs and long-term vision.
- Structured Settlement Options:** If your sudden wealth is from a legal settlement or lottery payout, structured payments might be a good option. These regular payments provide a predictable, tax-advantaged income stream over time, making it easier to plan ahead without risking overspending.
- Review Income Needs:** Assessing your income requirements is crucial to ensure your financial plan supports your lifestyle. By understanding your current and future income needs, Adams Brown financial planners can help you create a strategy that ensures you have sufficient funds to meet your expenses and achieve your financial goals.

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Section 4: Plan for Tax & Legal Implications

As your wealth grows, so does your need for careful tax and legal planning. Taking the right steps now can save you money and protect your assets.

- Tax Strategies:** Explore ways to reduce your tax burden, such as donating to charity, investing in tax-advantaged accounts or maximizing contributions to retirement accounts. These moves can potentially reduce your taxable income while supporting your long-term goals.
- Estate Planning:** Whether or not you're thinking about your legacy now, an estate plan is important. Work with a legal advisor to ensure your will, power of attorney and trusts align with your intentions. Proper estate planning can protect your assets, help you avoid probate and ensure your wealth goes to the people and causes that matter most to you.
- Insurance Protection:** With increased assets comes greater exposure. Consider umbrella insurance for additional coverage, and review your life insurance policies. It may be time to increase coverage or shift to policies that better suit your new financial situation.

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Wealth. Managed. Well.

Let's Turn Your Wealth into a Lasting Legacy

Sudden wealth is an incredible opportunity—a chance to build a life of security, create a legacy and support the people and causes you care about. But without a thoughtful approach, this wealth can also bring challenges. At AdamsBrown Wealth Consultants, we're here to equip you with the knowledge, guidance and resources to handle this change confidently and successfully. From immediate needs to long-term personal financial planning, our goal is to help you turn your wealth into a tool for lasting impact.

Reach out to start a conversation – [AdamsBrownWC.com](https://www.AdamsBrownWC.com)

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