

Deconstructing Wealth: Prioritizing Your Journey To Find the ‘Purple Rain’

The pop icon, Prince, died recently. He left many of us scratching our heads about why he reportedly had no Will. Had he done no planning? A question that kept coming up was, Why? Why did he not create a simple estate plan to address his approximately \$250 million dollar estate?

We’ll never know why, but it may be that he defined wealth differently than you and I.

Wealth, as I have come to discover, is defined differently by each one of us. It would seem to be an easy-to-understand concept, but actually it turns out to be quite complex.

My own theory about Prince is: His money, estate and heirs were not on his life’s radar screen. He simply chose to focus on other things. He was a very unusual, extremely gifted lyricist, musician, singer, entertainer, actor—and also very private.

The more practical side of me says, “But, Gary, his probate will probably run into the multi-millions, and his estate taxes will certainly reach the hundred-million-dollar range.” However, there will still be at least half the estate, \$125 million to be divvied up between his heirs—albeit pursuant to the intestate laws (no Will) of the State of Minnesota.

At this juncture, a key question arises: Would Prince have created his estate of \$250 million by simply concentrating on the tax, estate, business, financial and other strategies? Instead of changing his name to a symbol and forever entering Purple Rain into our lexicon with his

deep, dark, moody expressions augmented with outrageous outfits, surprising dance moves and high-pitched intonations?

And that is the point! He—and we as well—define our “wealth” in many different ways.

Let’s spend a moment discussing wealth. Looking back, the Wealth Advisor role within the financial planning profession surfaced around 1970. The profession is still establishing trust and competence within the broader wealth management community, including Wall Street brokers, insurance agents, investment advisors and other independent practitioners.

The definition, scope and depth of how wealth advice is delivered has both widened and become specialized over these past four-plus decades. Because of the importance of wealth and its far reaching implications in our financial, family and business lives, we have stayed on the widening path, employing specialists when necessary to deliver comprehensive wealth services.

Meanwhile, many use “financial planning industry” as a façade to sell individual products ranging from life insurance and securities, timeshares, and even bitcoins (cyber money).

These transaction-based areas are fairly standard and easily recognizable. We know when we walk out the door that we leave with a particular product after we put our money down.

I make reference to these other financial service businesses because they are a “subset” of

wealth. That is—wealth, as sliced and diced into a variety of products and services from a variety of vendors, product purveyors and advisors.

So, what exactly is wealth?

I'm not going to try to provide a clear-cut definition, since it is anything but clear-cut.

Wealth, as defined by each of us, is multifaceted. It may include money, material objects, values, families, attitudes, legacies, businesses, products and services, communities, purposes, and society in general—to name a few.

I'm not suggesting we don't have our arms around wealth. Far from it. But as wealth advisors we do come from a position of being one of the only professions on the planet that is allowed to freely discuss anything and everything about anything and everything related to money. Ours is a very wide playing field.

This is a role we, in the wealth advisory profession, take very seriously. It goes to the core of who each of us is, has become, and what each of us will be in the future.

For most everyone, money is the core of wealth.

Money is ubiquitous. With it, we can do just about anything, at least in the United States, where we have a strong rule of law allowing for such freedoms. Without it, life becomes more difficult.

Yet this is not true for everyone.

A few years ago I attended a funeral of a man who was well liked and well thought of by his family and community. In the crowd of more than 1,000 people who attended his wake I heard people remark that he was gracious, a class act, humble, a giver, genuine, sincere, honest and trustworthy.

Interestingly, it was the wide cross section of

social, economic and religious attendees that was most impressive. It was somewhat of a Who's Who of the extended community.

This was a truly wealthy man. At least I believe most would have defined him in that way. However, he died with a meager estate. Money was not his focus in life.

What measuring stick do you use to define your wealth?

We are privileged to have many conversations and explorations into our clients' "wealth." We have discovered many different versions of wealth. Richard Wagner is a wealth industry leader who started in the early days of financial planning. He coined the word "finology" to explain the nature of finances and money.

Wealth is the ability to fully experience life.

- HENRY DAVID THOREAU

Think of finology as the "-ology" of finance like geology is to the earth and biology is to the body. The root, -ology, means logic. Finology is the logic of money, a subset of wealth.

Other parts of wealth come from our own life philosophies, psychology, anthropology, values as well as prudence, good sense and logical reasoning.

It's easy to deconstruct money used for our basic needs: a roof over our head, food, comfort, safety, transportation, communication, hygiene, and so forth.

We can travel through America's cities, suburbs and rural areas and witness these on display. Some of us can get by on \$30,000 a year while others need \$300,000. To a lesser or greater extent, people over decades design their own lives and ways of living.

Then, there are the wants.

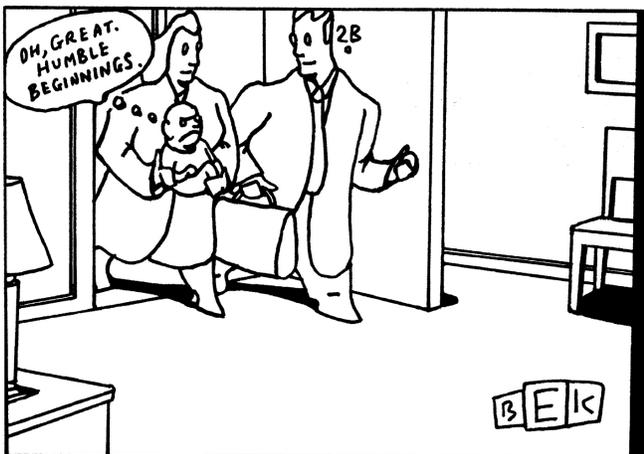
This is where defining wealth is less definable. On any given weekend we can spend three or four hours enjoying a fine dining experience or enjoy the thrill of watching, in person, our favorite professional sports team. Total cost for each experience: \$300.

Certainly a want.

We could have ordered in a pizza and watched the game on TV for 20 bucks. Just a basic meal with a basic viewing experience.

True, some of us would never spend \$300 for a pair of tickets to a sporting event, and would quickly comment that it's a lot easier to watch in the comfort of our home without obnoxious fans, bad seats, messy bathrooms, complex parking, and a driving nightmare both going and returning.

To others, this is nirvana!



Some of us would never spend \$300 for a three-hour, seven-course, over-priced meal garnished with fancy fofou, served in tiny portions by a snobby wait staff, when we could have our favorite pepperoni pizza delivered right to our door with no fuss, no muss.

To others, an explosion of epicurean and palate pleasing delights!

This is wealth, too.

Lots of judgment calls here. One man's trash is another man's treasure.

The real core of our wealth is our own personal definition of it. You—the unique complexity that comprises you and defines you—determines how you live with, spend, save, value, and control your wealth.

What I mean: your money, your time, your intentions, your meaning, your values, and ultimately what you believe is your purpose on the planet. All is part of your wealth.

Money is the grease that keeps the life engine going. It is the tool of our wealth—such an important tool because of its impact on our lives.

Prince, like a number of people, decided to use as well as sequester his wealth in a way that many would consider by most norms, eccentric and unusual.

But, ever have a conversation with someone who collects art, baseball cards, coins, stamps, rocks, dolls, antiques, cars, and other items that may total in the millions of dollars? A lot of passion, interest, joy, expectation and all the other emotions surround these collections. Yet many of us wouldn't spend one thin dime on one or more items in such a collection.

That is what personal freedom affords us to do with our wealth.

In America over the past 40 years a whole generation, primarily baby boomers, has grown up in a very safe, secure, and well-to-do country that has allowed us to try out many different activities, actions, and behaviors around money. Americans' finology is ever-evolving and

changing rapidly with today's feverish pace of technology.

We keep redefining how we deal with our wealth. With what wealth means. Most important, how we tune in to our own "wealth path" in life.

This has been fascinating to us in the wealth management world. Sometimes we are financial strategists, planners and money technicians; at other times, we are counselors, consiglieres, ombudsmen and friends.

From my experience as a wealth advisor, I think self-awareness is probably the most important thing towards fulfilling one's wealth aspirations. Everyone is unique. It's vital to know yourself—then plan accordingly.

Is the value of life defined by its duration or its donation? Is it more important how long one lives, or how effectively one lives?

Prince's "Purple Rain" lyrics include these words, "Honey I know, I know times are changing. It's

time we all reach out for something new. That means you, too."

What exactly is "purple rain" anyway? Well, as various folks have attempted to define it: A deep longing or desire that may or may not be met.

You and your path to wealth may have served your needs and wants over the past several decades. But time never stands still. One continually must establish some sense of prioritizing things, of emphasizing the important, and setting aside peripheral things.

Wealth and the finology of money are a multicolored prism into the essence of each of us. Time marches relentlessly on. What exactly we do (and risk) in pursuit of our "purple rain" reveals what we most value.

A distinguished former sage of the U.S. Congress, Claude Pepper, once quipped: "A stockbroker urged me to buy a stock that would triple its value every year. I told him, 'At my age, I don't even buy green bananas.'"

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