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THE WEEKLY GUIDE TO MANAGING YOUR MONEY

WSJ.com/Sunday

Home for the Holidays? Ask Mom to Tell You a Story.

BY ANDREA COOMBES

The economic downturn, steep health-care costs and longer lives may mean less money being left to baby boomers by their parents—but boomers are unlikely to complain about that.

Why? It turns out it isn't about the money. Instead, baby boomers and elder Americans say personal keepsakes, family stories and last wishes are a far more important bequest than money.

Here's something to think about as multiple generations of your family gather over the holidays: Fully 86% of baby boomers and 74% of Americans aged 72 and older said family stories and keeping their family history alive is the most important piece of their legacy, according to a 2012 survey conducted for insurer Allianz Life Insurance.

Some 64% of boomers and 58% of elders said family mementos and heirlooms are a key inheritance. Just 9% of boomers said they're eager to inherit money, and 14% of elders said financial assets are an important legacy to leave. The findings closely matched a similar Allianz survey in 2005.

"The things that make your family unique—not money, but stories and personal possessions—those are most important in the legacy discussion," says Katie Libbe, vice president of consumer insights for Allianz Life, in Minneapolis.

But there are two problems: Families often fail to record their histories, so stories tend to die with aging relatives, and family mementos are among the most common causes of conflict after a relative dies.

"It's never about the money. It's always about the tangible personal property," says Mary Jane Olsavsky, a manager of PNC Wealth Management's Pittsburgh estate-settlement

group who for almost 25 years has worked with families to distribute estates.

To avoid problems, consider the following steps.

1 Start talking.

As you develop your estate plan, find out who among your family members might like specific keepsakes. If you have aging parents, consider broaching the topic: What items would they like to give to whom?

Parents who create a mechanism for disposing of keepsakes go a long way to prevent conflict later, says Malcolm Greenhill, a certified financial planner and president of Sterling Futures in San Francisco.

He describes a situation where parents left a treasured vacation home to their children to share. One sibling, in need of cash, wanted to sell the property; the others wanted to keep it. The dispute resulted in professional mediation.

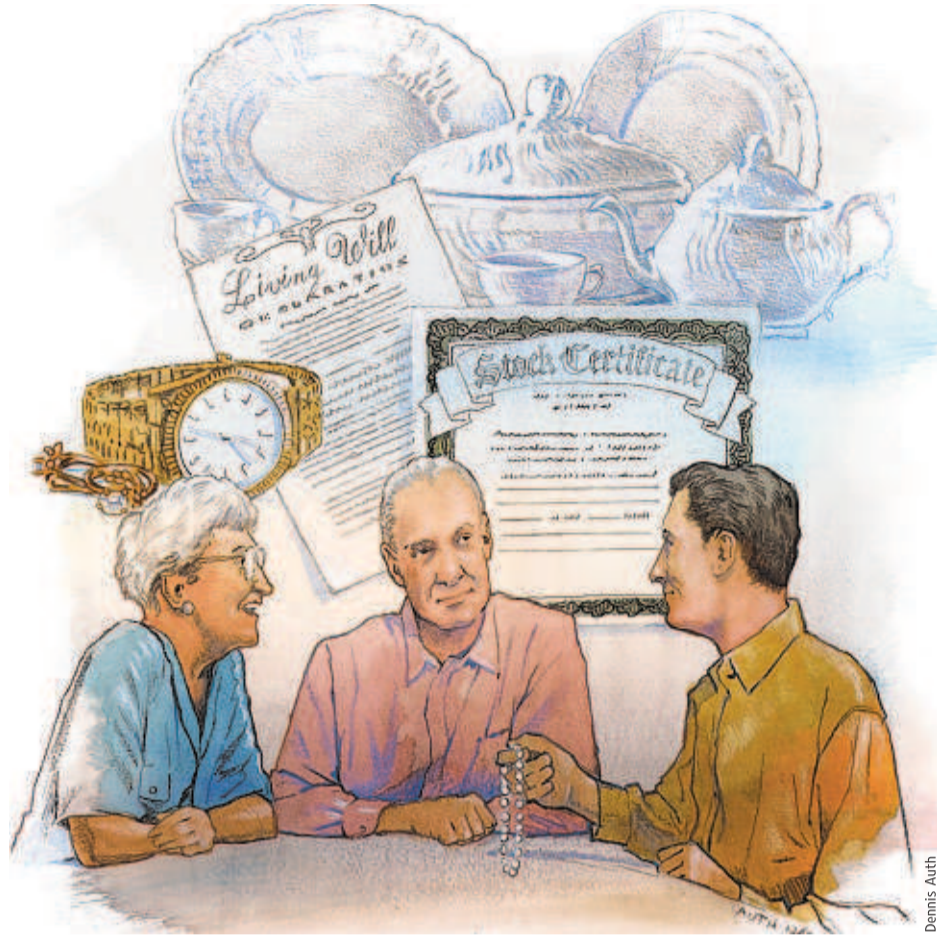
To avoid that situation, the parents should have talked with their children individually and as a group, Mr. Greenhill says. "You sort this all out beforehand and then you make it public. 'This is what we're going to do and here are the reasons for it.'"

2 Create a memorandum.

To ensure your financial wishes are carried out, your estate plan should include a will, possibly a trust, a power of attorney in case you're incapacitated, a health-care power of attorney and a living will that clarifies your wishes with regard to end-of-life care.

But given that family heirlooms can spark fiery conflicts, create a memorandum that details how you want to divvy up your personal property.

"Most people's wills, the language is very general," says Kate Byrne, a Pittsburgh-based



Dennis Auth

senior wealth planner at PNC Wealth Management. "I give my tangible personal property to my wife and kids." The best thing to do is to have a memorandum with your will."

The memorandum describes who shall receive specific items. The will then references the memorandum; for example, "I direct my executor to distribute my tangible personal property in accordance with a signed and dated memorandum to be found with this will." Relatives may be unhappy with your decisions, but they're less likely to be angry at each other.

Make sure your executor

knows where to find the memorandum, and be specific about items. In one example, a woman said her diamond ring should go to a daughter, but she didn't clarify which diamond ring, says Ms. Olsavsky. Attaching photos of the item and referencing each photo in your memorandum can help.

Another way to prevent arguments after you're gone: Give items away before you die. But be wary of gift taxes, warns Ms. Byrne.

In the memorandum, you aren't likely to list all of your possessions. A common approach to deal with the remain-

ing items is that each relative, starting with the oldest child, gets to pick one item, and then they go around the room again.

In family disputes, Ms. Olsavsky says, one option is to have all the items put up for auction. Family members can bid on what they want. The money goes back to the estate to be divided equally.

3 Avoid fomenting discord.

Got a favorite niece or grandson? Consider demonstrating that affection before you die—and make your post-death division of property more equitable.

"If your legacy is that you'd like your family to remain a harmonious unit, then plan to treat them equally, so you don't cause that discord that can occur if one of the children thinks they've been slighted by a parent," Ms. Olsavsky says.

4 Consider hiring a professional executor.

Choosing your estate's executor is tricky business. You're giving power to one family member—that can lead to arguments. To keep things fair, some people name co-executors, but that gets complicated, too. For example, they may all need to appear in court or show up to sign documents, Ms. Byrne says. Remarriages are another source of complications: a stepsibling's actions may not be viewed as fair by family from a previous or later marriage.

In such cases, hiring a corporate fiduciary as executor through your bank or trust company may make sense.

5 Share your values.

Sharing family values can be among the most treasured of bequests. An ethical will, which might be a one-page document or a bound book and isn't legally binding, lets you pass along your life story and values.

While an ethical will can take many forms, often it's a letter tucked in with the will. These can be tough to write. The frequently-asked-questions page at PersonalLegacyAdvisors.com can help you figure out how to create an ethical will.

Another idea: A journal that prompts you to write down information such as the location of important financial documents and your wishes for your family. See the "When I'm Gone" journals at JournalsUnlimited.com.

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INVESTOR'S CALENDAR

Down Week

A modest rise on Friday the 13th did little to stem a four-day slide in the Dow Jones Industrial Average. The Dow is down 2% for December, but remains up 20% for the year.



Source: WSJ Market Data Group

The Wall Street Journal

THIS WEEK

◆ **Taper Talk:** Federal Reserve officials meet this week, having yet to signal clearly whether they will scale back their \$85 billion-a-month bond-buying program. Chairman Ben Bernanke holds a news conference Wednesday.

◆ **Social Security Hearing:** The Social Security, Pensions, and Family Policy Subcommittee of the Senate's Committee on Finance will meet Wednesday to examine the role of Social Security, defined-benefit plans and private retirement accounts in relation to the retirement crisis.

Wall Street Journal Sunday writers regularly contribute to the Journal's weekday "Your Money Matters" personal-finance podcast. Listen at WSJ.com/Podcasts

◆ **Indicators:** Core consumer-price numbers for November are due out Tuesday. Housing starts for November are due Wednesday, and existing-home sales for the month on Thursday.

◆ **Earnings:** Oracle, FedEx, General Mills, Nike, Carnival, Accenture, Walgreen and BlackBerry are to report.

LAST WEEK

◆ **Budget Vote:** The House passed a budget bill designed to avoid a government shutdown next month and relax spending limits in the next two years. The bill passed 332-94, with a wide bipartisan margin.

◆ **Privacy Online:** Eight U.S. technology giants—Google, Facebook, Apple, Microsoft, Twitter, Yahoo, LinkedIn and AOL—are issuing an open letter to President Obama and members of Congress along with a set of reform principles they say will better safeguard the information of Internet users, following a stream of disclosures about actions by the National Security Agency.

◆ **Promoted:** Auto maker General Motors named its first female chief executive, company veteran Mary Barra.

◆ **New Rule:** Financial regulators approved the Volcker rule, which aims to curb bank risk-taking.

How to Make A Career Fair Worthwhile

BY DANIEL LIPPMAN

Lots of students and out-of-work adults go to career fairs looking for a job, and all too many of them drop off résumés never to hear from anyone. That's a shame, because there are steps anyone can take to get the most out of these events.

First, "you need to know what your pitch is," says New York-based career counselor Eileen Sharaga, so you can give potential employers a quick summary of your experience, what kind of job you're looking for and how you could help the company.

Although there may be many employers at the fair, "you need to know what kinds of jobs you're looking for" and be judicious about the companies you target, says Ms. Sharaga.

The career fair's website will usually have a guide to participating employers, so research them beforehand, says Gihan Fernando, executive director of the American University Career Center.

Find out what the proper dress code is so you don't show up in a suit and tie while everyone else dresses casually, or vice versa.

Bring at least 20 or 30 printed résumés so you have enough to pass out. While you might speak to recruiters for only a couple of minutes, "consider it a job interview," says Rosemary Haefner, a vice president at CareerBuilder.

Use these encounters to demonstrate your strengths and show how you'd fit in to the firm.

Ask recruiters about their background at the company, how they started, what the work environment is, and whether there are openings matching your qualifications.

Be sure to get the business cards of the people you speak with so you can email afterward and thank them for their time. That will also jog their memory about what you both talked about, says Ms. Haefner.

Don't be shy about following up several times with many employers to maintain those newly made connections, says Mr. Fernando.

THE AGGREGATOR

Court Takes 401(k) Case

The U.S. Supreme Court Friday agreed to rule on when workers can sue their employer over losses to 401(k) funds containing shares of a company's own stock.

The court agreed to hear an appeal brought by Cincinnati-based Fifth Third Bancorp, which is fighting a class-action suit alleging it violated a federal law on employee benefits by allowing workers to continue investing their retirement savings in the company's stock at time when the shares were allegedly too risky.

According to court documents, the price of Fifth Third stock declined 74% during the two-year period covered by the lawsuit, which is led by former Fifth Third employees.

Lower courts disagree over what employees have to prove in order to establish that an employer violated its duty to run a retirement plan prudently. The bank argues that a lower court made it too easy for employees to pursue the case.

—Brent Kendall
WSJ.com**Net Worth Hits Record**

The stage could be set for stronger economic growth next year, as a surging stock market and rising home values have helped Americans recoup nearly all the wealth they lost in the recession.

The net worth of U.S. households and nonprofit organizations—the value of homes, stocks and other assets minus debts and other liabilities—rose 2.6%, or about \$1.9 trillion, in the third quarter to \$77.3 trillion, the highest on record, says the Federal Reserve.

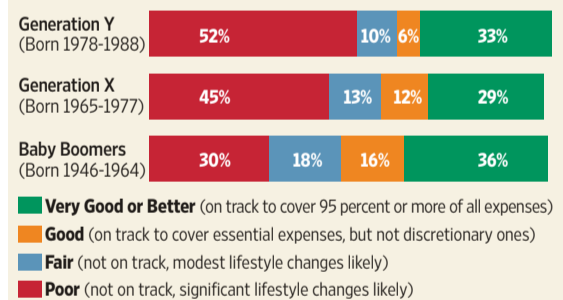
The Fed's figures aren't adjusted for inflation, but even after accounting for rising costs Americans' net worth is at record levels.

—Neil Shah
The Wall Street Journal**Help Wanted**

Two reports out last week confirm that businesses are loosening up their hiring plans—but it's getting harder

Stat of the Week

Retirement Readiness: Many Americans from all generations are not on track to cover their required living expenses in retirement, such as housing, food and health care.



■ **Very Good or Better** (on track to cover 95 percent or more of all expenses)
■ **Good** (on track to cover essential expenses, but not discretionary ones)
■ **Fair** (not on track, modest lifestyle changes likely)
■ **Poor** (not on track, significant lifestyle changes likely)

Note: Figures don't add up to 100% due to rounding

Source: Fidelity Investments online survey of 2,265 working households, age 25 and older earning at least \$20,000 annually from June through October. Margin of error is +/- 2.06 percentage points

The Wall Street Journal

to find the best worker.

The Labor Department reported that job openings in October increased to a high for this recovery. Nonfarm entities had 3.925 million unfilled positions at the end of October, up 7.7% from year-earlier levels.

The National Federation of Independent Business reported that 23% of its members had positions they could not fill in November.

—Kathleen Madigan
Real Time Economics blog
WSJ.com**The Gender Gap Persists**

Young women entering the workforce have the narrowest pay gap with men they likely will see in their careers—which may explain their less-than-sunny outlook on workplace equality, according to a study from the Pew Research Center.

For workers of all ages, the gender pay gap in the U.S. has barely budged in almost a decade, based on government data on median annual earnings. Researchers at Pew, analyzing hourly earnings, found that women aged 25 to 34 years made 93 cents for every dollar men did in 2012. That gap widened for all workers 16 and older: Women earned 84 cents for each dollar men did last year.

—Brenda Cronin
Real Time Economics blog
WSJ.com**Carriers Unlock Phones**

The major wireless carriers and the Federal Communications Commission unveiled a voluntary agreement that will allow consumers to unlock their cellphones and continue using them when they switch providers.

AT&T, Sprint, T-Mobile US, U.S. Cellular and Verizon Wireless have signed on to the pact, which requires carriers to unlock devices or ask the maker do so within two days of a consumer's request. Providers that lock phones must notify consumers when their devices are eligible for unlocking, typically at the end of a wireless contract.

—Gautham Nagesh
The Wall Street Journal**Santa's High-Tech Aids**

In dozens of U.S. shopping centers, small gadgets are keeping tabs on shoppers' cellphones, while other devices identify their movements, helping retailers track shoppers' behavior. The Future of Privacy Forum, a Washington, D.C., think tank, says about 1,000 retailers have installed such sensors.

—Elizabeth Dwoskin
And Greg Bensinger
The Wall Street Journal

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