

The Legacy Drawer: An Essential Item for Your Loved Ones

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I've long adhered to the concept of helping clients making sure their affairs are in order should anything happen to them. This way loved ones do not have to deal with financial complications, as these are the last things anyone wants to deal with during times of emotional distress.

With that in mind, I like the idea of a legacy drawer proposed a while ago by James Starr, a former VP of an American money advisor.¹ In essence, the legacy drawer is a drawer that holds all of the important information your family needs in case something happens to you.

Whether you're single without children or in your seventies with a host of grandchildren, a legacy drawer is vital. It should be in your home and contain everything that has to do with your finances and be organised in a way that any document can be found in a few seconds.

Starr suggests that your legacy drawer should contain ten items:

1. **Cover Letter** – A letter stating the purpose of the legacy drawer. It should introduce your loved ones to the contents of the drawer.
2. **Financial Account** – Anything that has money in it and your name on it should be listed in the legacy drawer. This includes account names, amounts and account numbers.
3. **Funeral Instructions** – All details and specifications for funeral plans should be listed so the family can fulfil your wishes. If you are married, you will need one for you and one for your spouse.
4. **Insurance Policies** – All insurance information, including health, car, disability, term life, etc., should be combined into one single document for easy reference. List the type of insurance, who the policy is for, contact information and policy numbers.

¹ <http://stevemurrell.com/top-10-personal-finance-tips-before-you-die-2/>

5. **Important Documents** – Any legal or other important documents you have should be noted in the file. This includes deeds, birth certificates, social security cards and titles.
6. **Personal Letters** – Since the intention behind the legacy drawer is to keep your legacy going after you've gone, it's a great idea to include letters to your loved ones.
7. **Monthly Budget** – If necessary, add a copy of your written budget, so your spouse or loved ones know how to operate your household once you're gone. This will help your family keep track of bills and focus on more important things.
8. **Passwords** – Write down all passwords, combinations, usernames and PIN numbers. This information allows your loved ones access to any documents, money or information that is left when you are gone.
9. **Tax Returns** – Keeping tax returns in your legacy drawer is like an insurance policy for yourself in the event that you get audited. Hopefully you never have to pull them out, but if you do, at least you are prepared.
10. **Will and Estate Plans** – All information pertaining to your will and estate, including names of the executor and Power of Attorney should be located in one file.

This may be a tedious job. Preparing for when something happens to you is not a fun task, but it's crucial to do this to protect you and your family. Nowadays, with so many passwords and digital files – be they important documentation or photographs and music – it is also worth looking at keeping some digital record (for details see [Preparing for the Digital Afterlife](#), MBMG Investment Advisory Update, April 2015²).

Don't overlook this essential part of your future plan. You may not know how pleased you will be once the legacy drawer is created.

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² <http://www.mbm-g-investment.com/in-the-media/inthemedi-a/41>

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