



As the situation around COVID-19 continues to evolve, it is important to remember that many transitional events can be completely overwhelming. Retirement, unemployment, a change in marital status, the loss of a loved one, the sale of real estate or a business, changes in personal health, receiving an inheritance, or downsizing are all life events that can create tremendous pressure and require action during uncertain times.

Hardly anyone is fully prepared for a major transitional event, especially events beyond our control. But wise preparations can be made to ready us for change. Benjamin Franklin's famous quote sums up things succinctly: "Failing to plan is planning to fail."

There are a number of common mistakes that even well-intentioned folks make during life changing events. You can avoid these mistakes by engaging a team of professionals to advise you on navigating new circumstances with knowledge and skill.

#### Avoid: Well-intentioned Advice

Those feeling overwhelmed can often fall prey to well-intentioned advice ("My hairdresser's mother/co-worker/trainer said that . . ."). This well-meaning advice may not apply to your specific circumstances as no two situations are alike! Unless you are speaking with a trusted professional – attorney, personal property appraiser, CPA, financial advisor – the best course of action is to thank them for their input, and call an expert.

Personal property tends to be grossly undervalued. With an ever-changing secondary market, it takes an expert to evaluate assets accurately. Spending endless hours on eBay trying to match items often leads to inaccurate information and frustration. The listing price is not an indicator of value! Often there is a great deal to gain financially; and, conversely, a great deal to lose! Don't trust your assets to well-intentioned, uninformed guesses. Furthermore, during times of transition, one may unintentionally share that they are in a vulnerable position, making them susceptible to fraud, scams, or the risks associated with liquidating personal property that has not been evaluated by an expert. Avoid taking a one-size-fits-all approach to advice. Look for personalized assistance, and be certain to obtain references and qualifications from professionals you are considering hiring.

#### Avoid: Quick Decisions

Before making rapid decisions that have permanent results, take the time to visualize your most desirable outcome. A professional can help with that by prioritizing the steps of the transition process into a well organized plan. What to do first, what to do in sequence, and what to do in the meantime can all be organized into a customized course of action. Seek professional advice to determine which decisions cannot be postponed, and which ones benefit from review and consideration. In stressful times, people often make quick decisions to give away items of significant value without the proper information. If you are informed about the true value of grandma's favorite painting before you make the gift, then your gift is more meaningful for all concerned. Also, many underestimate the worth of

their “household” items which may carry significant value. Both under-valuing and over-valuing can lead to expensive mistakes.

When life circumstances feel daunting, clients frequently clear personal property from estates immediately in an attempt to feel proactive. The best way to feel empowered is by asking questions and gaining knowledge. Prior to making the decision to keep, sell, gift, or donate personal property, get the facts about your possessions! Have the items appraised, contact your CPA about the benefits of a charitable contribution, check-in with family members or potential beneficiaries regarding items they may want (or would rather not receive); and lastly, know that not all charities take all types of personal property – call them prior to dropping off donations. Avoid rushing any part of the process without the proper knowledge. When making potential life-changing decisions, beware of snap judgments.

#### Avoid: Relying Upon Outdated Information

During any period of uncertainty, avoid decisions based on old information. Clients often rely upon outdated appraisal documents to insure their assets, to divide them, or to select assets for liquidation or charitable giving. Be careful! Market dynamics can dramatically affect value. What was once valuable (grandma’s Victorian bedroom set) may no longer be an asset you can bank on for remuneration. If you plan to liquidate an asset based upon old appraisal documents, you may not be making a wise decision. Conversely, you may be surprised at which items currently hold the highest value on the secondary market (1980’s décor is at an all-time high and selling for premium prices). We have also witnessed uneven divisions of assets between beneficiaries, inadvertently caused by using outdated market data and/or old appraisal records. If your existing appraisal or home inventory record was created before 2007, this is an excellent time to update your personal records, and possibly your trust, will, or insurance coverage. Avoid trying to save money by relying on outdated information – that mistake can be more costly than you realize.