



## **Case Study | How can our grandparents get involved?**

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### **Todd and Heidi**

#### ***Problem***

Todd and Heidi are happily married and starting their family. Both sets of parents are alive and love helping out with their grandkids. One day Heidi's dad approached Todd and Heidi saying he wanted to leave a legacy to not only Todd and Heidi, but to their children as well. Todd and Heidi knew her parents were setting aside money for their children; however, they had no idea how to efficiently transfer that wealth.

#### ***Consequences***

If the money is simply transferred to the grandchildren through a will or a trust and at the appropriate time distributed to the heirs, the money is spent and gone forever.

#### ***Solution***

Todd and Heidi were neighbors and knew I did something in the "financial world." Through casual conversation they asked me what most people do when grandparents offer to help out their grandchildren financially. We showed Todd and Heidi a strategy whereby her parents could systematically save a certain dollar amount per year per grandchild, over a ten- or twenty-year period, into an asset where their money will compound uninterrupted for the life of the child! The money they save into that account could literally benefit their grandchildren for 90 years. Now that's what I call a "living legacy!"

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## **Tax Diversification Strategies**