So, You Won The Lottery! Now What?

First of all – Congratulations! Now, sit quietly and breathe deeply – the next steps you take are critical to your long-term happiness:

1. You will want to tell someone – if not a spouse or other mature loved one you can trust to keep quiet, than an Investment Advisor and/ or lawyer both of whom are required to keep your information in confidence. You will want to contact one, or both, early on in any event.
2. Sign your ticket and store it in a safety deposit box [where your trusted confident(s) understand it is secured].
3. PLAN! Advertise too much that you have come into a large fortune (this includes an inheritance as well), and you may have friends and relatives coming out of the woodwork! Set a plan so that you can reply confidently when you reply to those requesting a “loan”.
* If you have debts, pay them down 1st. For lesser windfalls/ inheritances, where your debt might exceed the cash inflow, pay down the highest interest debts first.
* Take some quiet time (perhaps getting away to a quite place) to try and still your mind and contemplate how you would use this money wisely. If you are a believer in a divine creator, you might want to pray for wisdom and insight into how to use this divine gift. Would you consider some charitable contributions? If so, start a list. Would you consider a gift(s) to give loved ones a leg up? Contemplate this prayerfully – you want to be generous, but not a future doormat if your gift runs out. To this point, my mind goes to a man I greatly admire – Warren Buffett. Mr. Buffett is leaving the majority of his estate to charity. He once famously told Fortune magazine that the perfect amount of money to leave your kids is "enough money so that they would feel they could do anything, but not so much that they could do nothing." He has a family that he loves and has paid for the education of his children and grandchildren – in short, he has given them the gift of wings to fly. Now it is up to them, to fly. My belief is that we are all on this planet for a purpose – being too generous with your money can act as a deterrent for some loved ones to strive to fulfill that purpose. It can be a blessing to give your child/ loved ones the need to strive for themselves. A sense of purpose brings happiness.
* Don’t “put all of their eggs in one basket” when it comes to investing. If something happens and you stumble with a single basket, all of your investment “eggs” could be broken. Spreading out these investment “eggs” via diversification, will better protect you. Research by the National Endowment For Financial Education indicates that 70% of people who come into large sums of money lose it in an astounding 7 years! Much of this is due to unrealistic expectations as to what they can do with that sum of money. I can’t emphasize enough here, how working with a financial expert can help you gain perspective. Your Investment Advisor should have professional qualifications (not all advisors are trained equally and, sadly, some are no better than salespeople paid to push certain products). An independent advisor, who is not tied to selling any one investment company’s products and who is licensed to sell not only investment products, but insurance products as well, can provide you with more diversification opportunities. Under their insurance “umbrella”, they can match you with an annuity which can provide you with a guaranteed income for life - using a portion of your fortune to protect you from becoming the statistic – losing all of your fortune in 7 years.
1. With a solid plan in place, if asked for money by newfound friends; family; and, ne’er-do-wells, you can confidently state that a plan has been put in place for you and that your fortune has been invested carefully. For funds you do wish to disburse to loved-ones, you can lovingly tell them that this gift is to help give them a leg-up and that you are hopeful that it will help move them forward with their life’s purpose and thus it is a one-time gift and they should plan wisely themselves!