

# LIVING WELL



A Roadmap for Lifelong Health and Wealth Planning

LOOK AHEAD WITH US.



Northern Trust

## FIVE PATHSTONES TO OPTIMUM HEALTH AND WEALTH

The same planning fundamentals are required to maintain the perfect balance between a healthy life and a secure financial future, regardless of the economic environment. The Living Well program created by Northern Trust and PinnacleCare presents leading-edge perspectives to effectively manage your health and wealth, while offering useful information to assist you in your planning efforts.

Our “Five Pathstones to Optimum Health and Wealth” provide a proven process that can be applied to both health and wealth planning throughout all stages of life. Following the Five Pathstones you will find “A Roadmap For Lifelong Health And Wealth,” which provides specific strategies for Financial Planning and Health Planning at each stage of life. Our insights at the early stages are designed to help adults implement decisions regarding their children or grandchildren’s overall well-being, health and education, as well as prepare them for the privileges and responsibilities of later years. Throughout the remaining life stages, our goal is to help adults better understand opportunities and responsibilities for the entire family.

For more information about health and wealth planning at each stage of life, we invite you to request a copy of the companion piece, *Living Well: Your Guide for Lifelong Health and Wealth Planning*, an in-depth study of the strategies you can employ to effectively manage your finances and health.

To learn more about the Living Well program or to receive additional information, please contact your Northern Trust Relationship Manager or the Northern Trust location nearest you.



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## PINNACLECARE

PinnacleCare is a premium leader of the new and growing industry of personal healthcare advocacy. A membership-based company, PinnacleCare assigns professionals known as PinnacleCare Advocates™ to its Members to manage family and executive healthcare, access world-renowned specialists, provide the world’s most advanced medical research, coordinate appointments and help Members enact proven preventive strategies for optimum longevity and health. Since its founding in 2002, PinnacleCare has drawn acclaim from Members, leading physicians and specialists worldwide. For more information, visit <http://www.PinnacleCare.com>.

### Step One: Identify motivations and goals

- Establish your lifestyle needs
- Consider medical history and current financial situation
- Establish time horizon

### Step Two: Evaluate current situation

- Take charge of proactive self-care
- Do financial “what if” planning
- Look at health risk factors

### Step Three: Develop integrated strategies

- Develop personalized proactive health strategy
- Keep current on medical research
- Create financial plan
- Integrate family goals in your planning

### Step Four: Align resources to implement plan

- Align your family members and healthcare team
- Undertake periodic assessment of your financial/legal advisory team
- Ensure collaboration among your advisors
- Include a healthcare “quarterback”

### Step Five: Monitor and evaluate your results

- Compare current status to original projections
- Assess variance in results
- Determine appropriate revisions
- Assess implications

A ROADMAP FOR LIFELONG HEALTH AND WEALTH:  
**FINANCIAL PLANNING**

Age by Age	EARLY YEARS: Birth to Age 14	TEENS & YOUNG ADULTS: Ages 15–24	PIVOTAL YEARS: Ages 25–39	SANDWICH GENERATION: Ages 40–54	MATURING YEARS: Ages 55–65	PRIME TIME: Age 66+
Stage of Life	FOUNDATION	DEVELOPMENT	INDEPENDENCE	INTERDEPENDENCE	RENEWAL	REFLECTION
Key Situational Factors	PROTECTING CHILDREN	GUIDING CHILDREN	LAYING THE FOUNDATION	BALANCING ACT	PEAK PRODUCTIVITY	QUALITY OF LIFE
<b>Cash Flow &amp; Debt Management</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Consider budgeting on average \$300,000 for child-raising expenses from birth to age 18</li> <li><input type="checkbox"/> Consider purchasing life and disability insurance</li> <li><input type="checkbox"/> Begin to teach your children about money and the importance of saving</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Establish and maintain a good credit rating</li> <li><input type="checkbox"/> Model and discuss responsible financial behavior for your children</li> <li><input type="checkbox"/> Continue to teach your children the value of budgeting and saving</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Minimize non-deductible debt</li> <li><input type="checkbox"/> Establish a comprehensive insurance program including disability, health, life and personal liability coverage; couples should review and integrate</li> <li><input type="checkbox"/> Gain an understanding of expenses and budget for an emergency fund to cover 3–6 month’s income</li> <li><input type="checkbox"/> Discuss financial plans with partner</li> <li><input type="checkbox"/> Consider health savings accounts</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Manage credit card debt to maintain good credit rating</li> <li><input type="checkbox"/> Review and update insurance program including disability, health, life and personal liability coverage</li> <li><input type="checkbox"/> Consider purchasing long-term care insurance for you and your parents</li> <li><input type="checkbox"/> Discuss your parents’ cash flow needs and factor into your own plan</li> <li><input type="checkbox"/> Consider health savings accounts</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Evaluate the pros and cons of eliminating debt</li> <li><input type="checkbox"/> Factor in cost of healthcare and insurance coverage (e.g., life, medical care or long-term care insurance)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Factor in work plans and inflation during retirement</li> <li><input type="checkbox"/> Review insurance coverage and adjust (e.g., consider added healthcare coverage)</li> <li><input type="checkbox"/> Factor in changing lifestyle and healthcare expenses during course of retirement</li> </ul>
<b>Investment Planning</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Begin education funding – consider 529 Plans</li> <li><input type="checkbox"/> Use tax-deferred accounts wherever possible</li> <li><input type="checkbox"/> Establish appropriate savings vehicles (e.g., UTMA’s)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Help children purchase an investment vehicle and monitor its performance over time</li> <li><input type="checkbox"/> Review accounts and transfer UTMA’s to children at majority</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Plan for a long-term horizon, at least to age 90</li> <li><input type="checkbox"/> Review allocations – consider adding alternatives to core holdings to diversify portfolio</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Maximize tax-deferred savings and retirement contributions</li> <li><input type="checkbox"/> Review and rebalance asset allocations – consider adding alternatives to core holdings to diversify portfolio</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Examine sources and stability of cash flow and adjust allocations appropriately</li> <li><input type="checkbox"/> Review asset allocations to stay ahead of inflation and taxes</li> <li><input type="checkbox"/> Diversify single stock exposure and other highly concentrated holdings</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Continue to diversify investments</li> <li><input type="checkbox"/> Monitor and reallocate investments to maintain diversification</li> </ul>
<b>Retirement Planning</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Prioritize capital accumulation over gifting strategies</li> <li><input type="checkbox"/> Balance long-term retirement funding with education funding</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Encourage adult children who work to start saving at least 10–20% of income</li> <li><input type="checkbox"/> Adult children should take advantage of employer 401(k) plans and/or set up a Roth IRA with automatic transfers</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Coordinate plans with spouse or partner</li> <li><input type="checkbox"/> Strive to save 10–20% of income</li> <li><input type="checkbox"/> Maximize retirement plan contributions (e.g., 401(k) plans, IRAs)</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Determine target retirement age</li> <li><input type="checkbox"/> Discuss parents’ financial needs and evaluate implications</li> <li><input type="checkbox"/> Maximize employer-sponsored retirement plans (e.g., 401(k) plans, IRAs), including available catch-up contributions</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Discuss retirement plans with spouse/partner and children</li> <li><input type="checkbox"/> Begin to consider where you’ll retire – factor in state income and estate taxes</li> <li><input type="checkbox"/> Make catch-up contributions to retirement plans</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Implement plans</li> <li><input type="checkbox"/> Establish appropriate withdrawal amounts, factoring in about 3–4% per year for inflation</li> </ul>
<b>Wealth Transfer Planning</b>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Incorporate trusts for children into your estate plan; name a guardian for children</li> <li><input type="checkbox"/> List trusts for children as secondary beneficiaries on retirement plans and life insurance policies</li> <li><input type="checkbox"/> Consider establishing irrevocable life insurance trust, and generation-skipping trusts</li> <li><input type="checkbox"/> Make annual exclusion gifts</li> <li><input type="checkbox"/> Introduce children to personal giving and volunteering</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Adult children should establish a will, directives to physicians and durable and healthcare powers of attorney</li> <li><input type="checkbox"/> Prepare your children to become beneficiaries of an existing trust</li> <li><input type="checkbox"/> Discuss premarital financial planning</li> <li><input type="checkbox"/> Involve your children in charitable plans and activities</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Update will, directives to physicians, durable and healthcare powers of attorney</li> <li><input type="checkbox"/> Establish and implement premarital financial planning strategies</li> <li><input type="checkbox"/> Continue to involve your children in philanthropy</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Update all estate planning documents factoring in any changes to your family situation</li> <li><input type="checkbox"/> Discuss your parents’ estate and wealth transfer plans and adapt your own plan as needed</li> <li><input type="checkbox"/> Integrate your estate plan within your overall financial plan</li> <li><input type="checkbox"/> Consider creating a lifetime gifting strategy for family and/or charities</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Review and update estate planning documents and retirement plan beneficiary designations</li> <li><input type="checkbox"/> Develop charitable giving strategies</li> <li><input type="checkbox"/> Implement lifetime gifting strategy</li> </ul>	<ul style="list-style-type: none"> <li><input type="checkbox"/> Review and update estate planning documents to reflect your intentions</li> <li><input type="checkbox"/> Share wealth transfer plans with family and other beneficiaries</li> <li><input type="checkbox"/> Implement wealth transfer and philanthropic strategies</li> <li><input type="checkbox"/> Re-evaluate gifting strategies</li> <li><input type="checkbox"/> Consider the emotional and financial benefits of establishing a funeral plan</li> </ul>

A ROADMAP FOR LIFELONG HEALTH AND WEALTH:  
HEALTH PLANNING

Age by Age	EARLY YEARS: Birth to Age 14	TEENS & YOUNG ADULTS: Ages 15–24	PIVOTAL YEARS: Ages 25–39	SANDWICH GENERATION: Ages 40–54	MATURING YEARS: Ages 55–65	PRIME TIME: Age 66+
Stage of Life	FOUNDATION	DEVELOPMENT	INDEPENDENCE	INTERDEPENDENCE	RENEWAL	REFLECTION
Key Situational Factors	PROTECTING CHILDREN	GUIDING CHILDREN	LAYING THE FOUNDATION	BALANCING ACT	PEAK PRODUCTIVITY	QUALITY OF LIFE
<b>Lifestyle Factors</b>	<ul style="list-style-type: none"> <li>☐ Prioritize your health values and secure common commitment with your spouse</li> <li>☐ Instill children’s commitment through repetition and modeling of healthy behaviors and habits: <ul style="list-style-type: none"> <li>– Daily exercise</li> <li>– Optimal nutrition</li> <li>– Sleep adequacy</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>☐ Understand the onslaught of pressures and changes in this life stage</li> <li>☐ Deliberately identify and encourage positive role models outside of the nuclear family</li> <li>☐ Commit to modeling healthy decision making within your home</li> <li>☐ Continuously seek positive engagement with your young adult children through healthy, shared interests such as spectator sports and the arts</li> <li>☐ Reinforce healthy habits learned in childhood</li> </ul>	<ul style="list-style-type: none"> <li>☐ Learn and apply wholesome lifestyle practices for current and future health</li> <li>☐ Learn and substitute healthy responses to stress vs. alcohol consumption, caffeine addiction or destructive behaviors</li> <li>☐ Enlist specific support activities from key family members to reduce stress</li> <li>☐ Understand the unhealthy stress of financial uncertainties; take control of your financial future</li> </ul>	<ul style="list-style-type: none"> <li>☐ Plan for self-care practices</li> <li>☐ Maintain regular, sufficient sleep patterns</li> <li>☐ Assess life balance issues and address deficiencies in physical, emotional and spiritual practices</li> </ul>	<ul style="list-style-type: none"> <li>☐ Consciously maintain a youthful attitude through ongoing education, meditation and exercise</li> <li>☐ Learn strategies for safe and healthy travel, as well as emergency preparation</li> <li>☐ Deliberately maintain social interaction and pleasurable group activity</li> </ul>	<ul style="list-style-type: none"> <li>☐ Maintain consistent communication with adult children</li> <li>☐ Be proactive in planning social engagements and scheduled activity, including volunteering</li> <li>☐ Pursue increased mobility; resist resigning yourself to less physical activity</li> </ul>
<b>Risk Assessment</b>	<ul style="list-style-type: none"> <li>☐ Observe young children carefully for unexpressed health issues</li> <li>☐ Learn and track medical benchmarks for physical development</li> </ul>	<ul style="list-style-type: none"> <li>☐ Watch carefully for the beginnings of high-risk behaviors</li> <li>☐ Observe incidences that reflect judgment development and supervise activity accordingly</li> </ul>	<ul style="list-style-type: none"> <li>☐ Critically assess myriad stress factors of this life stage: career, family and community demands</li> <li>☐ Attend to symptoms of emerging disease and stress-related issues of anxiety, skin disorders and physical distress</li> </ul>	<ul style="list-style-type: none"> <li>☐ Understand the link between caregiving stresses and your physical and emotional health</li> <li>☐ Recognize tendencies for self-neglect</li> <li>☐ Observe stress symptoms and address at early stages to prevent illness</li> </ul>	<ul style="list-style-type: none"> <li>☐ Take note of emerging aging effects including declining visual, hearing and mental acuity</li> <li>☐ Focus on vigorous early detection for optimum prevention and management</li> </ul>	<ul style="list-style-type: none"> <li>☐ Pay close attention to the interaction of prescriptions with changes in metabolism due to aging</li> <li>☐ Assess potential hazards to avoid injury</li> <li>☐ Assess your social network and how you are expanding the number of people and activities within your life</li> </ul>
<b>Health Screenings</b>	<ul style="list-style-type: none"> <li>☐ Follow CDC-recommended vaccinations in a timely fashion</li> <li>☐ Be aware of new recommendations such as those for rotovirus for young children and HPV for pre-teens</li> <li>☐ Screen for emerging issues of disease and disabilities such as hearing and visual acuity</li> </ul>	<ul style="list-style-type: none"> <li>☐ Observe signs of depression, mental health issues, eating disorders and substance abuse</li> <li>☐ Enlist your pediatrician to provide clinical screenings for mental and addictive conditions</li> <li>☐ Follow recommended screenings for emerging diseases, based on family history and crucial baselines for lifelong comparisons</li> </ul>	<ul style="list-style-type: none"> <li>☐ Test for fertility, pregnancy and childbearing medical issues, including undetected sexually transmitted disease</li> <li>☐ Commit to date-certain screenings of emerging disease, as life complexity may cloud recognition of symptoms and family risks</li> </ul>	<ul style="list-style-type: none"> <li>☐ Raise vigilance in screening, prioritizing colonoscopy and mammogram</li> <li>☐ Undergo an Executive Physical for crucial baseline information and early detection</li> <li>☐ Learn about breaking findings on advanced diagnostics</li> </ul>	<ul style="list-style-type: none"> <li>☐ Ensure proper travel immunizations with careful consideration of special destination risks and emergency preparedness</li> <li>☐ Apply special vigilance to symptoms and screenings for early-stage heart disease, prostate cancer, breast cancer and osteoporosis</li> </ul>	<ul style="list-style-type: none"> <li>☐ Get a top-level extensive geriatric evaluation from a proven specialist</li> <li>☐ Screen for mental acuity, physical strength and flexibility and depression</li> </ul>
<b>Prevention Strategies</b>	<ul style="list-style-type: none"> <li>☐ Establish communication ties with valuable health allies: pediatrician, school contacts, fellow parents and teachers</li> <li>☐ Ensure information source for medical breakthroughs and new research</li> </ul>	<ul style="list-style-type: none"> <li>☐ Observe subtle behaviors to assess need for intervention</li> <li>☐ Through active listening, build a pattern of steady parent/child communication</li> <li>☐ Reach out to gain health counsel from your primary physician and family health advocate</li> </ul>	<ul style="list-style-type: none"> <li>☐ Begin proactive collaboration with physicians for prenatal health regimen, including vitamins, predictive testing, optimum exercise and nutrition</li> <li>☐ Consider professional health support: a family health advocate and selected therapists for physical and emotional needs</li> </ul>	<ul style="list-style-type: none"> <li>☐ Enact individualized plans around key issues such as perimenopause</li> <li>☐ Take a realistic view of caregiving “workload” and outsource selected caregiving responsibilities</li> <li>☐ Enlist a healthcare advocate to coordinate medical appointments, etc., for loved ones</li> </ul>	<ul style="list-style-type: none"> <li>☐ Organize your individualized plan for high-level disease prevention, using new science and therapies</li> <li>☐ Enlist a healthcare advocate to help activate, coordinate and enhance your prevention strategies</li> </ul>	<ul style="list-style-type: none"> <li>☐ Integrate your medical support for the frequently changing aspects of aging</li> <li>☐ Do strength training to prevent injury and recover faster from medical incidents</li> <li>☐ Enlist a healthcare advocate to assert your needs, clarify your complete medical picture and monitor changes</li> </ul>

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