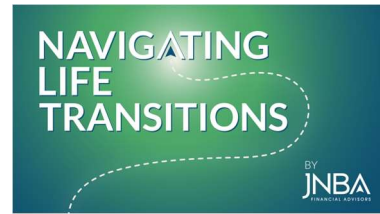


Podcast Transcript: Navigating a Second Marriage



Kim Insley:

I'm Kim Insley. Thanks for joining us for Navigating Life Transitions, a podcast where we bring together advisors experienced in financial life planning to talk about ways to navigate life's biggest changes, challenges, opportunities, and decisions. From growing a family to losing a loved one, promotions to retirement, marriage to divorce, we discuss these pivotal moments that could benefit from the guidance a financial advisory team can provide.

Today we're talking about second marriages, combining your life with another person, a little bit later in life perhaps, maybe blending families if one or both of you have children, and navigating your new normal when it comes to finances, family goals, and more. Joining me is Kim Brown, President of JNBA Financial Advisors, and Elise Huston, an Advisor at the firm which serves clients in Minnesota, Florida, and throughout the United States. JNBA has helped people prepare for and navigate this transition. We also have with us today, Jayne Sykora, an estate attorney that often partners with the team at JNBA.

Elise Huston:

Yeah, we're excited to have Jayne here. Thanks for joining.

Jayne Sykora:

Thank you so much for having me.

Kim Insley:

Well, we've got a great team here today. I'm excited about this conversation. Elise, I'm going to start with you. So, you do have a lot of clients who are coming along at an exciting point in their life. A remarriage is a big deal.

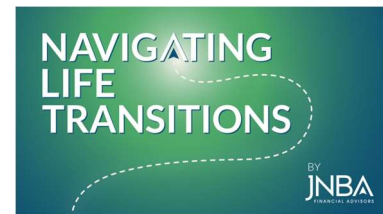
Elise Huston:

Yeah, it is, and it is exciting. At JNBA, we know that, as we've talked about in these other podcasts, life is a series of transitions. Maybe not all the ones that we've talked about are all considered necessarily exciting, but this one really is. It's an exciting time in someone's life, and for many individuals we've worked with, realizing that second marriage is not all that uncommon is important. According to the National Healthy Marriage Resource Center, of all divorced people aged 25 and over, about 55% of men and 44% of women have remarried and embarked on that second marriage. So, it really can occur at all stages of life, and each marriage will look really different, bringing its own unique planning opportunities based on your own goals and questions.

Kim Insley:

And probably when you do it for the second time, you're thinking, "I've been to this rodeo before. I know everything about it." So, Kim, you have been down this path. You have been to this rodeo. And it was very different the second time than the first time. So, what can you share about that with us?

Podcast Transcript: Navigating a Second Marriage



Kim Brown:

Yes. So, the first time I was married, when we decided we were going to part ways, it was mutual; it was really easy; we divided everything we had equally. There was no problem, and we moved forward. Our life was what I would say fairly uncomplicated. When I met Richard, it was a little different because I had spent a lot of time building my own career. I had my own things, my own money, my own home. And he clearly was working here in his family business; he had two children; I had no children. So, when we started talking about the possibility of getting married, a lot more things came into play, and we had a lot more things to discuss than actually I had anticipated or even understood.

Kim Insley:

And you're a professional.

Kim Brown:

Yes, yes. Or even understood. But through that process, I gained an entirely new perspective on what it takes to build a great second marriage and to put things in place so that it all works out and everybody is in a really good place when it starts.

Kim Insley:

That's a great perspective. And there are a lot of things, Elise. It's not super simple.

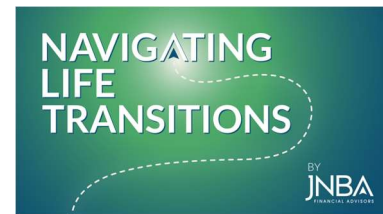
Elise Huston:

Yeah. And I think to Kim's point, starting off by just really understanding each other's perspectives, right? You're entering this second marriage with history, prior experiences, not only from maybe your childhood growing up, what you witnessed from your parents' relationship over the years, but now you yourself have had a marriage as well and you've likely learned things about yourself, what worked, what you would've done differently that you're now bringing to the second marriage. So, creating time to talk about that, your new family values, what are those going to be as you embark on this together? You're each bringing your own value set to the conversation. And then how that impacts money and finances is certainly important.

So, some of the common topics that we hope to discuss with our clients when they're embarking on this journey are really understanding, is their goal or hope to combine finances as a couple once they get married, or are they hoping to keep things separate? Do they want to keep their portfolio separate, manage money separately, and that's just more comfortable for them at this stage? If there were children from a prior marriage, are you still paying any child support, and how might that impact your family's cash flow now versus your future, and planning around that change. Did one of the spouses maybe have assets that got depleted in a prior marriage compared to the other? There can be a lot of emotion and complexity around what each other is bringing into the marriage, and your feelings of contribution, so really hearing each other and understanding how that can play a role in the relationship, would be important.

And then, too, along the same lines of just having children from a prior marriage, are you in agreement on how you want to plan for and support those children while they're minors, but also when they're adults? Are you hoping to pay for education, be it private education or college?

Podcast Transcript: Navigating a Second Marriage



When they're older, are you wanting to help them with a home down payment? Or if they're in a pinch, do you want to finance that? You might not be on the same page. So, understanding that it all has implications into your finances and can be important. And then, of course, based on all that complexity or what gets discussed, does it make sense to explore a prenuptial agreement?

Kim Insley:

Mm-hmm. Yeah. And, Kim, you shared with us earlier that you have a prenu.

Kim Brown:

Yes.

Kim Insley:

Jayne, the reason you're here is that you are an attorney, and this is something you deal with pretty frequently.

Jayne Sykora:

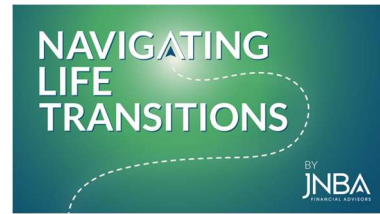
I do. I do. And one of the initial questions that I always get from people that are interested in a prenu, and usually it is in second marriages, is when do they start working on the prenu? And I would say probably as soon as they start discussing marriage, that this shouldn't be something that you wait to do until a month or two before the wedding date is going to happen. And that's for a whole host of reasons. But I think number one, just like Elise was saying, I think it's really important to do to talk through about how are financials going to be handled between the couple, and then also making sure that you have an attorney, two attorneys, one for each person, lined up sooner rather than later, which sometimes, depending upon an attorney's schedule, they can't drop everything immediately to work on a prenuptial agreement because you're getting married in a month. So, making sure that these financials are being discussed, that you are getting an attorney sooner rather than later.

And then what I always like to share is kind of the general concept of what a prenuptial agreement actually does and what it doesn't do. So I think in general what most people understand about a prenuptial agreement is that what you're trying to do is for each party to protect what they are bringing into the marriage, where each of them is bringing X, Y, and Z into the marriage, and if the marriage does get dissolved, that they are leaving with what they brought in. And then also talking through... Hopefully it's a really great happy marriage for a very long time, and what might happen upon death during the marriage and what's going to be provided for a surviving spouse? So, all of that can be sorted out in a prenuptial agreement. But the things that can't be done that oftentimes will get asked about is you can't negotiate child support in advance. Basically, anything revolving around minor children, you can't negotiate in advance.

Kim Insley:

That's part of a divorce agreement. That comes later.

Podcast Transcript: Navigating a Second Marriage



Jayne Sykora:

Exactly. Exactly.

Kim Insley:

Hopefully never at all.

Jayne Sykora:

Hopefully never at all. And that's what you're doing in a prenup. You're laying out these terms so that both parties understand what could happen, but hopefully, again, they have a really, really nice long marriage and the prenup never actually needed to be enforced. That's the goal.

Kim Insley:

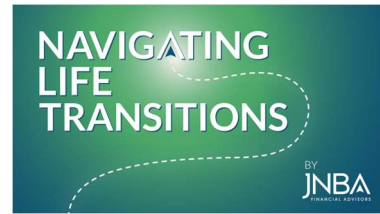
Right. Right. Kim, I love what you said, too, about pointing out... You came into a situation where you as an accomplished professional had all of this coming in, and then there's a business with Richard. Very complicated. It was kind of a no-brainer, especially given your background that you would want a prenup, but to know that if something should happen, you're not going to lose what you came in with.

Kim Brown:

Right. That was my number one criteria. I was always willing to take what I had to help us build what we dreamed of, but if anything happened, I wanted to be sure that at the very least, what I brought I left with. What was kind of interesting about our scenario is that Richard has obviously a family business. His mother started this firm 45 years ago this year. I was very respectful of that, and so we sort of had to have a baseline. So, in other words, this is our baseline. This is where we're both at today. But I also knew that my heart was all in this business and all in with helping him build it and building what we had dreamed it could be, because it's very different today than when we met and started working together. So that was a lot of the conversation about our prenup is what we build together becomes ours. What we came with is ours. What we build together becomes ours.

And the process, like Jayne said, we each had our own attorney, and I totally agree with you, Jayne, that the more time you give yourselves, the better, because it's a thoughtful process. I think sometimes people view prenups as being, "Oh, this is terrible that you're doing a prenup." Well, frankly, for me, it was one of the most learning, freeing experiences because I realized that this is my life, this is my future life, and I want to play a role in that, I want to know what it looks like going forward in all aspects. I want to do it alone with my attorney, and then I want to sit with Richard and talk about it. And I want to just, at the end of the day when we sign these documents, know that it's done, we agree, it's peaceful. I hope we live happily ever after, but if we don't, we as two adults consented to this prenup. This is what we agree on, and this is what's going to happen if it's over. And I think that's all really good.

Podcast Transcript: Navigating a Second Marriage



Kim Insley:

And good for the children... Say you're coming into a second marriage and the children are adults, and so they're going to be spinning their wheels on everything... to know that that's taken care of and they don't have to spend their lives worrying about it.

Kim Brown:

Well, yeah, because you can have those discussions, and we did, because we also have two nieces that are part of the equation, too, as well, and we had those discussions behind closed doors about what was important for each of us, what we agreed upon. Obviously, children are everything to their parents, and you want to make sure that you're really respectful of that as a spouse coming in without children because you never know what that dynamic is going to look like. I'm fortunate because we've done a really good job of blending our families. We now have grandchildren, and it's wonderful. But I really felt good and proud of myself to be able to say, "Yeah, I agree. I want this for your kids too." And no resentment, no regrets. That was a really great experience for me.

Jayne Sykora:

And I think to that point, I think that this doesn't have to be a negative or bad process, and I do think that that's the misconception out there in the general world where they hear like, "Oh, you have a prenup."

Kim Insley:

Something's wrong. You don't trust each other.

Kim Brown:

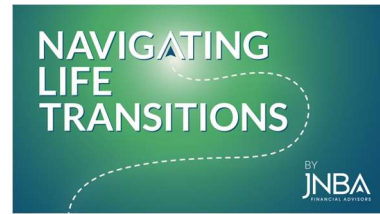
Exactly.

Jayne Sykora:

If anything, it is just like you said. It's two adults who want to join their lives together, but they want to make it in as clear-cut, defined way and are taking the time to think through it. And so, I think one of the things that I can't stress enough is that it is a process to do a prenup. And I say this now after now having been married myself, I didn't quite understand everything that was going on before you actually had a wedding date. There's a lot of activity. There are a lot of things. And the last thing that you as a bride or groom want to be dealing with is sorting through when to sign this prenup and work out these details. So, I think the sooner that you can get that sorted out, knowing that you might sign it... Usually you're going to sign a prenup about three to four weeks before a wedding date. But you can work out all of the details well in advance so that way everything's... Because there's a lot of other moving pieces that go on with a wedding, the fun part. That's all the fun stuff.

So, you want to have this done and buttoned up and signed not too close to the wedding date, but not too far from it either. We can't sign it too far in advance of the wedding because one of the procedural requirements for a prenuptial agreement is that you're also disclosing all of your assets, all of your debts, and you want that to be about-

Podcast Transcript: Navigating a Second Marriage



Kim Insley:

Current.

Jayne Sykora:

Current as possible. So, if you're signing something six months in advance, what your net worth statement might look like six months later on the wedding date might look a little bit different. So, you need that all to happen relatively close to the wedding date, but not the day before. Because then, that's where you hear the horror stories about where people are under duress to sign because they have all these people traveling in for a great wedding, and what are they going to do? They don't want to end it, so they sign an agreement. So that's why you want to have that nice, comfortable, like a month before the wedding where you have all of this signed. But you can have the discussions for months and months before the wedding.

Kim Brown:

Oftentimes, it's interesting because I know with many of our clients, I have actually gotten to sit down personally and talk about my experience because what you said, Jayne, is true. There is a bit of a stigma, or can be, around it. But also there can be a real concern, like it's really coming from deep inside, like "Why would I do this," from both sides. It's women or men. It's both sides. So that's one of the things that we really help our clients navigate is those conversations. Why are you worried about this? What are the concerns that might be stopping you from wanting to do this? Are you looking at the upside or only the downside? Those kinds of things, and those are really valuable conversations as clients navigate this next step towards their future together.

Jayne Sykora:

No, absolutely.

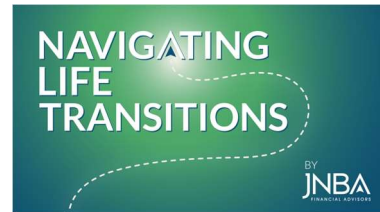
Kim Insley:

And one of the things that does come up, and this could be a real drag as you're trying on your wedding dress and stuff, but in a second marriage, too, you're a little closer to the finish line, and by that, I mean the finish line. So, estate planning becomes a part of this as well, right, Elise?

Elise Huston:

Yeah, it does. There may be parts of it that you can start to talk about, as Jayne mentioned, in the prenuptial agreement just around if one spouse does pass away early, there is some planning work that can be done through a prenuptial agreement, but a lot of that does occur. Likely even after you're married, you might be revising your estate documents and revising them every couple of years as your life continues to change. But that's really important. We talk about that in a handful of other podcasts, too, just how critical estate planning is and how often it's avoided because it's not a fun conversation, but especially if you have blended family or it is a second marriage, it becomes even more critical just to make sure that you're leaving assets to the people you intended to in the first place.

Podcast Transcript: Navigating a Second Marriage



Kim Insley:

Well, and you were telling us, Jayne, too, if you don't have a prenup that the estate planning is actually more important.

Jayne Sykora:

Absolutely.

Kim Insley:

And it changes over time. As we're talking about kids that grow from minors to adults, it changes.

Jayne Sykora:

Yes. No, absolutely. First and foremost, as an estate planning attorney, I wouldn't be doing my job if I didn't say everyone needs an estate plan until-

Elise Huston:

We agree.

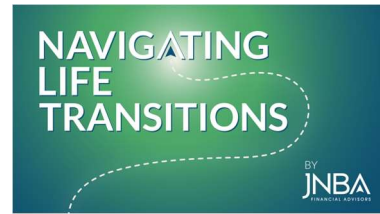
Jayne Sykora:

Yeah, exactly. Right? But because the law and the way that the statutes work here in Minnesota and elsewhere, if someone in a blended family died without a will, what the intestate statutes, how they would leave things to a surviving spouse and then maybe children from a previous marriage is probably very, very different than what most people would want to see happen. So, I would say, yes, in a blended family, it's even more important that people have a will or a trust in place to make sure that they have this sorted out and that they are providing for their surviving spouse. Again, second marriage assignment... My husband, this is his second marriage, my first, and I hope that we're together for the rest of our lives together, and I certainly would hope that he would be able to provide for me if he dies first, which I hope doesn't happen. But we don't want to leave that to the statutes to sort out. We want to make those decisions. So that's why in blended families, it's even more important and then important to address it, especially as children get older, grandchildren are born. There're all different kinds of things that can be done within an estate plan to make sure that your family and other loved ones are provided for.

Elise Huston:

I think oftentimes people think, "I have time to make these decisions," and put off estate planning because it feels like it's so far down the road, "Oh, I don't need to." It's probably best to do it now, and then it's just easier to update along the way versus having to create a whole new plan as you get further into life. But we've seen it work out the other way. It is a difficult conversation, especially if you are navigating each other's wishes about leaving money and how we're going to plan for this blended family. That can be complex, and I think out of fear sometimes of hurting someone's feelings or them taking it the wrong way, there's a lot of avoidance in that conversation. I've worked with clients before who in fact had this happen. Somebody died unexpectedly; all the assets were left to the surviving spouse, and now effectively the biological children from that first spouse were more or less removed from the estate plan. There's no real

Podcast Transcript: Navigating a Second Marriage



plan for them to be inheriting assets or have access to assets today, and it's created a lot of tension amongst the family.

Kim Insley:

Oh, for sure.

Elise Huston:

And that surviving spouse wanting to remain part of her stepchildren's lives is now just not really something that she doesn't have access to because-

Kim Insley:

Relationships are destroyed.

Elise Huston:

The relationship, yeah.

Kim Insley:

And that was not the intention at all.

Elise Huston:

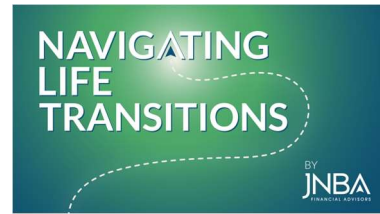
Never. But because the planning wasn't done in advance out of fear of conversation or the thought that, "Oh, we have time to think about this," it left everybody in a difficult position.

Kim Brown:

I always say that an estate plan is the sort of gift that keeps on giving because it is the document that drives your legacy. For us, Richard, and I... So, I said he had two kids, he has two kids, we have two kids now, two grandchildren, and then two nieces that are a part of the equation. So, when we sat down and did our estate plan... Plus we have a business. So, it was a process. It did take time. It's a very thoughtful process, and it requires, at least for us, a lot of scenario planning. For example, who dies first? What happens? Well, what if someone lives a long time and you didn't plan for the fact that there's enough money to take care of the surviving spouse? What if the expectations of the kids or the people you're leaving money to isn't in line with what they thought?

There's also conversations that can be had with families about, "This is what we're planning." You don't have to, but it's not a bad idea, so that people know... Now we're at a point where the kids are older. We are starting to talk about what do we really want to leave, and what's excess, and how can we help them share our values of giving back? So that's also part of estate planning, like what percentage is going to be put in their names, not for them, but for them to be able to make a difference in the world. That's pretty cool too. Those are also conversations that we'll have with them.

Podcast Transcript: Navigating a Second Marriage



Kim Insley:

What I love is that you just demonstrate over and over again that this is a very human experience and you live this experience and you share that with your clients too, but you're holding their hand as you're walking them through these difficult conversations, which too many of us just think we'll take care of it on our own. That's not the way to go.

Kim Brown:

Yes. Well, and just a real quick note on an estate plan, one of the things that sort of got me really passionate about estate planning is that my dad died very suddenly. He was a physician in North Dakota, and nothing was really in order. Even though he had what he called an estate plan, it was never really revisited, which is why we always say... Once a year, Richard and I sit down and we look at everything and we make sure, is this still what we want; has the situation changed; do we need to make any changes, that sort of thing. Because I can tell you as a child, getting a phone call, "Your father's passed away," and then the oldest child having to go home and sell a practice... You're devastated, and then you have to do all the things and you have to look out for your mom and your family and you have to be strong when you don't know anything.

And so, I just think for people who are hesitating doing any of these things, prenup, estate planning, any of it, be brave enough and strong enough to do it for the people in your life. Even if you're scared, even if you think it's going to be a tough conversation, I think you'll be pleasantly surprised at how much you learn about yourself, about your spouse. It's actually a really, really rewarding experience. And most importantly, when I go to bed at night, if we both don't wake up tomorrow, I know everything is in place. And that is peace of mind, and that's priceless.

Jayne Sykora:

Well, and I think, too, knowledge is power. So just finding out what the options are, because especially with estate planning, there's so many misconceptions out there in the world. I hear about it all the time where it'll be like, "My cousin's friend's neighbor, this thing happened." And it's like, "Well, I can't speak to that specific situation," but I think if anything, being educated about what the options are so that way clients can make an informed decision about what they want to do and then, again, revisiting it on a regular basis.

Kim Insley:

Which is why bringing in a professional is just so huge. So, when do you recommend that, Elise?

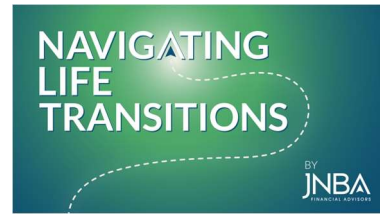
Elise Huston:

Oh.

Kim Insley:

Yesterday.

Podcast Transcript: Navigating a Second Marriage



Elise Huston:

Yeah. Early. I think that's been the theme here, right? Because with more time, you give yourself space to be able to digest, scenario-plan, and then you don't feel like you're rushed to make a decision that you're not quite comfortable with. So earlier, the better. But again, the benefit of it, too, is then you're not going through it alone. You don't have to have all the answers yourself. By having your financial advisor... Our job for our clients is to be their advocate, helping them think through all opportunities, all possibilities, facilitating conversations to hopefully make them have less conflict or feel less scary, and then bringing in professionals like Jayne, an attorney, to put all the puzzle pieces together so that you can just go and walk down the aisle and celebrate with your family and be excited about what is a really exciting next stage in your life.

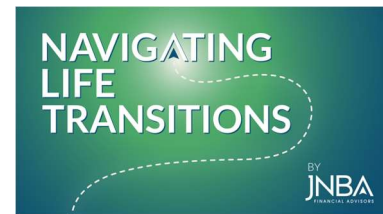
Kim Insley:

Which is the important part, right, one of the important parts. I want to thank all of you for your insights. One wouldn't think a conversation like this would be fun, but it is fun. I always learn so much. I appreciate you all so much, Elise, Kim, and Jayne. Fantastic conversation.

And to our listeners, thank you for listening. We hope that you'll take an opportunity to listen to our other Navigating Life Transitions podcasts. You can get the full list of available episodes online at [JNBA.com](https://www.jnba.com). Click on the Insights tab to find the podcast page there. Also, you can help yourself to the free resources on JNBA's website. Once again, that's [JNBA.com](https://www.jnba.com). If you happen to have questions about navigating a second marriage or really anything, if you want to learn more about how JNBA can help you with your financial life goals, you can reach them at (952) 844-0995. And I can hear you saying, "Kim, I didn't write that down," so you can just go to [JNBA.com](https://www.jnba.com), to schedule a complimentary, no obligation call with their experienced, multi-generational team.

Thank you again for listening. I'm Kim Insley, and I look forward to navigating more life transitions with you on our next podcast.

Podcast Transcript: Navigating a Second Marriage



DISCLOSURE:

Past performance may not be indicative of future results. Different types of investments involve varying degrees of risk. Therefore, it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended and/or undertaken by JNBA Financial Advisors, LLC (“JNBA”), or any non-investment related content, will be profitable, equal any corresponding indicated historical performance level(s), be suitable for your portfolio or individual situation, or prove successful. JNBA is neither a law firm, nor a certified public accounting firm, and no portion of its services should be construed as legal or accounting advice. JNBA is not an insurance agent and no portion of the above should be construed as insurance advice. All insurance issues should be addressed with the insurance professional of your choosing. JNBA nor its employees sell insurance products. JNBA is not an agent of the Social Security Administration. All claiming strategies and benefits must be verified and accepted by the Social Security Administration. JNBA is not an agent of The Centers for Medicare & Medicaid Services. All claiming strategies and benefits must be verified and accepted by The Centers for Medicare & Medicaid Services. JNBA is neither an agent of Administration on Aging (AoA) nor an agent of the U.S. Department of Health and Human Services. JNBA is neither an agent of IRS nor an agent nor an agent U.S. Department of Treasury. Moreover, you should not assume that any discussion or information contained in this podcast serves as the receipt of, or as a substitute for, personalized investment advice from JNBA. A copy of our current written disclosure Brochure discussing our advisory services and fees is available upon request or at jnba.com. The scope of the services to be provided depends upon the needs and requests of the client and the terms of the engagement. Please Remember: If you are a JNBA client, please contact JNBA, in writing, if there are any changes in your personal/financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services, or if you would like to impose, add, or to modify any reasonable restrictions to our investment advisory services. Unless, and until, you notify us, in writing, to the contrary, we shall continue to provide services as we do currently. Please Also Remember to advise us if you have not been receiving account statements (at least quarterly) from the account custodian. Please note: All services provided by Jayne Sykora are separate and independent of JNBA Financial Advisors, LLC. All services provided by Kim Insley are separate and independent of JNBA Financial Advisors, LLC. JNBA providing a professional referral could present a conflict of interest because the professional may, on occasion, make a referral to JNBA which could result in an economic benefit despite the lack of any revenue sharing agreement in place. You are not obligated to engage the services of any such JNBA recommended professional, and the firm’s Chief Compliance Officer, Kimberlee M. Brown, remains available to answer any questions that you may have. For complete disclosure information, please visit jnba.com/disclosure/.