



COREY SUNSTROM, CFP®
DIRECTOR OF FINANCIAL PLANNING

HW

The Difference Between Trust and Preparedness

"Where are the paper towels? I thought we just went to Costco the other week and picked up enough to clean up an oil spill."

That was the question I shouted across the house to Lizy while attempting to be productive one Saturday morning. In my defense, I had already looked in all the logical places. The pantry. The laundry room. Under the sink. The hall closet. Even the garage, although apparently not the correct part of the garage.

Without missing a beat, she responded, "They're on the shelf in the garage."

I walked back out to the garage and stood there looking around for a moment.

"What shelf?"

"The shelf where you put them."

As it turns out, she was exactly right. Not only did we have paper towels, but we had an absurd amount of paper towels. Enough paper towels to survive a minor natural disaster. Enough paper towels that a reasonable person might conclude we were preparing to open a car wash. And there they were, sitting exactly

where I had placed them after our last Costco trip.

The shelf, it should be noted, was high enough that Lizy couldn't comfortably reach it herself. Which means I had personally unloaded them, carried them into the garage, stacked them on the shelf, and somehow erased the entire event from my memory shortly thereafter. Sound familiar to anyone?

Meanwhile, she not only knew they existed, she knew precisely where they were.

The exchange made me laugh because every married couple has some version of this story. There are things Lizy knows about our household that I would struggle to recreate without detailed instructions and a PowerPoint presentation. There are responsibilities she handles so consistently and so competently that I've stopped thinking about them entirely. Likewise, there are things I manage that rarely cross her mind because she's learned they simply get taken care of.

That's not a flaw in our marriage. In many ways, it's one of the reasons it works.

Over time, every successful partnership develops specialists.

Nobody intentionally sets out to create departments, but that's exactly what happens. One person becomes the expert on travel planning. One remembers family birthdays. One handles home projects.

One keeps track of medical appointments. One knows where the extra batteries are stored. The other knows where the paper towels are. Or at least they're supposed to.

The interesting thing is that these arrangements don't develop because one person is incapable or uninterested. They develop because trust is efficient. When somebody consistently handles something well, we naturally stop spending time and energy thinking about it ourselves. Eventually, we become comfortable knowing that if a question comes up, the other person will have the answer.

Most of the time, these arrangements work remarkably well. In fact, I would argue they're one of the defining characteristics of a healthy relationship. Nobody has the time or energy to become an expert in every aspect of running a household. Trust allows us to divide responsibilities and focus our attention where it creates the most value.

The longer I work with families, however, the more I've come to appreciate that trust and preparedness are not the same thing. In fact, at first glance they can look identical.

When somebody has handled a responsibility successfully for years, there isn't much incentive to learn the details yourself. Why would there be? If your spouse has coordinated with the accountant, managed the investments, paid the bills, and kept the financial machinery running smoothly for twenty years, spending your Saturday afternoon reviewing account statements probably isn't high on your list of priorities. There are kids to visit, hobbies to enjoy, vacations to take, and football games to watch.

Nobody wakes up one morning and decides they no longer want to understand their finances. It's usually a lot more subtle than that.

A couple gets married. Careers become demanding. Children

arrive. Life becomes busy. One spouse naturally develops an interest in financial matters and begins taking the lead. The other spouse focuses attention elsewhere. Neither person thinks much about it because the arrangement works. Then five years pass. Then ten. Then twenty.

Eventually, what began as a practical division of labor becomes the operating system of the household.

The person handling the finances isn't hiding information. The other spouse isn't avoiding responsibility. Both people are acting rationally. When something is working, most of us see little reason to change it.

The challenge is that trust has a tendency to solve today's problems while quietly creating tomorrow's blind spots.

When we trust somebody completely, we stop paying attention to details that don't seem immediately relevant. We stop asking certain questions. We become comfortable relying on someone else's expertise. That's not a flaw in human behavior. It's one of the primary reasons relationships function in the first place.

But trust can sometimes create the illusion of preparedness.

I can trust my wife completely and still have no idea how to step into certain responsibilities she's handled for years. She can trust me completely and still have questions about responsibilities I've quietly managed in the background. The trust is very real, but trust and preparedness are not necessarily the same thing.

That's a distinction I find myself thinking about often when working with married couples.

Most of us spend years building systems that make our lives more efficient. We divide responsibilities, settle into routines, and develop a level of confidence that comes from knowing somebody we trust is handling their part of the equation. The arrangement works so well that we rarely stop to ask what

would happen if one of us suddenly had to assume responsibilities we've never really needed to understand.

The reason that question matters has very little to do with investing and almost everything to do with life.

When people think about financial risk, they often picture stock market declines, recessions, inflation, or changes in tax law. Those are certainly real risks, and they deserve attention. Yet after years of sitting across the table from families, I've become convinced that the events that create the most stress are usually far more personal. The moments that truly test a financial plan rarely begin with a headline on CNBC. More often, they begin with a phone call from a doctor, an unexpected diagnosis, the loss of a spouse, a cognitive decline that unfolds gradually over time, or a life transition that nobody anticipated when the plan was originally built.

In other words, the greatest challenges are often not financial events at all. They're human events that happen to carry financial consequences.

These events don't simply create financial decisions. They force people to make financial decisions while navigating some of the most emotionally challenging periods of their lives.

I've sat with surviving spouses who are incredibly intelligent, accomplished, and capable people. Many have built successful careers, raised families, managed businesses, and overcome challenges that would intimidate most people. Yet when a spouse passes away, they often find themselves asking questions that have very little to do with intelligence.

Where are all the accounts?

Why do we own these investments?

How does our retirement income work?

Who do I call first?

What happens next?

Those questions become difficult because they arrive all at once. What could have been learned gradually over many years suddenly

needs to be understood in a matter of weeks, often while grief is still sitting heavily on someone's shoulders.

In some ways, incapacity concerns me even more than death because it rarely arrives on schedule. Most people imagine a clean transition where one spouse passes away and responsibilities transfer neatly to the other. Reality is often much messier. Cognitive decline, illness, and disability can unfold slowly, leaving families in a situation where the person who always managed the finances is still present but no longer able to explain decisions, organize information, or provide the guidance everyone has come to rely upon. In fact, I'd guess there is a 50% chance your spouse has a financial spreadsheet they've spent years building that resembles Egyptian hieroglyphics when they explain it to you (I know this because they've tried to explain it to me too). Just because they built it with good intentions doesn't mean it will make sense when the time comes, especially if you have been disconnected from it.

Those situations have taught me something important. The objective isn't for both spouses to become financial experts. The objective is familiarity, knowing where things are, and understanding the broad direction of the financial plan. It's also knowing who their trusted professionals are and having enough context to make decision without feeling completely overwhelmed.

Unfortunately, portions of the financial industry have not always helped in this regard. Historically, many women have experienced financial meetings where the conversation seemed directed primarily toward their husband, even when both spouses were sitting at the same table. Sometimes this was intentional. More often, it was simply habit. The husband answered first, appeared more interested, or had historically managed the finances, so the conversation naturally flowed in his direction.

Over time, one spouse becomes increasingly engaged while the other becomes increasingly disconnected.

What's unfortunate is that this often has nothing to do with capability or interest. I've watched plenty of spouses become highly engaged once somebody simply took the time to include them in the conversation. Most people don't enjoy feeling uninformed about something that directly affects their future. They just need the opportunity and confidence to participate.

One of the things I've become increasingly intentional about over the years is paying attention to who isn't talking during a meeting. Sometimes the quietest person in the room is the person I'm most concerned about reaching. Not because they need to become the primary decision-maker, but because there is a reasonable chance that someday they may find themselves carrying that responsibility.

The healthiest couples I work with still tend to have one spouse who takes the lead. That's perfectly normal. The difference is that both people understand the story. They know where they are, they know where they're headed, and they know who is helping them get there.

The longer I do this, the less I believe financial planning is about building the perfect portfolio. Markets will change. Tax laws will change. Interest rates will rise and fall. Every financial plan will eventually require adjustments. What tends to matter far more is whether the people sitting around the table understand the life those numbers are intended to support.

The strongest plans I've seen aren't necessarily the most sophisticated. They're the plans where both spouses have enough understanding to navigate uncertainty with confidence. One person may still drive most of the financial decisions. One person may still enjoy the subject more than the other. But neither person is left wondering where to start if life suddenly hands them responsibilities they never expected to carry.

That's not really an investment objective.
It's a partnership objective.

And in the end, it may be one of the most valuable forms of financial security a family can have.

HW

Hobart Wealth is a DBA of Hobart Private Capital, LLC. Investment advisory services offered through Hobart Private Capital, LLC, an SEC-Registered Investment Adviser. Insurance services offered separately through Hobart Insurance Services, LLC, an affiliated insurance agency. This material is for educational purposes only and is not individualized investment, tax, legal, estate, insurance, Medicare, real estate, or financial advice. Hobart Private Capital, LLC and its affiliates are not certified tax or legal advisors. Tax laws, estate laws, Medicare rules, contribution limits, and retirement account rules are subject to change and depend on individual circumstances. Investing involves risk, including possible loss of principal. No strategy can guarantee a profit, protect against loss, reduce taxes, lower Medicare premiums, or guarantee any tax, retirement, estate, insurance, or financial outcome. Consult qualified tax, legal, Medicare, insurance, or financial professionals before making decisions.