

# 5 tips for being a good millionaire

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Robert Jaeger Vernon BC won \$ 5 million. Photo: 6/49

Although it is a dream for many Canadians hitting the jackpot is not easy. It can be an intense upheaval that is accompanied by emotions, a multitude of questions, fears and important decisions. While some embrace their new life, for others, this blessing can quickly turn into a nightmare.

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June Bergh thought she'd won a \$50,000 check in the Lotto Max . When she found out that it was rather \$50 million , this grandmother of Kelowna, British Columbia became frightened. How to manage this sudden wealth? How to deal with this situation that had a 1 in 28 million chance to happen to her?

Same questions for Robert Goertzen, also from Kelowna, who a few weeks ago won \$21.9 million from Lotto 6/49, or Robert Jaeger, of Vernon, who recently won a check for \$ 5 million. "Everyone talks about me in town," enthuses the grandfather.

- But once the euphoria passes, there is another phase that the rich apprentices' faces that are often best left alone with their millions. "Once our winners leave our office with their check, we do not contact them" says Jessica Gares, spokesperson for the British Columbia Lottery Corporation.

"Our role is to ensure that the winners receive their prizes. Each personality is different and it is not our role to advise them on their money. At most, we suggest they get close to a professional financial advisor. "

A graduate of psychology and financial planner for Vancouver-based firm Macdonald Shymko & Company Ltd., Gina Macdonald has received windfall clients in her office. She gives several tips.

The first (wise) decision to make as a new millionaire is to make time to breathe and digest the information. "Wait a while, or even months, before making big decisions and take the time to sit down to plan over the long term," advises Gina Macdonald. "Many lottery winners squander their entire fortune in a few years. "

Examples of descent into hell are indeed many. One of the best known is that of Jack Whittaker, who won \$315 million US dollars in Powerball in 2002. A decade later, his daughter and his granddaughter had died of overdose, his wife had divorced him and he was sued several times.

Quoted by the *New York Times*, the American specialist Don McNay Finance estimates that most lottery winners lose after five years. "They are overwhelmed and lose the sense of the value of money," he explains.

A study published by the Berkeley University in 2009 and conducted among 34,987 people who won up to US \$ 150,000 in the lottery in 1934 went bankrupt within five years after touching their earnings.

"A financial professional will help you define your personal and financial goals, as you want to make your money last and plan for the long term. It is also about assessing and setting an expenditure ceiling depending on your financial plan," explains Gina McDonald.

Canadians must seek private help. In some countries, like France, lottery agencies provide free advice for their winners. The French game (FDJ) has been the same since the 1990s and is a special service its millionaires can follow if they wish. It assists with: real estate investment, estate, family law, strategic investments, and many training workshops.

"The goal is to help them move from dream to reality," says Brigitte Roth, of the FDJ. A hundred French winners benefit from this service every year.

The financial aspect is important, but it is important not to overlook the psychological side, according to Gina Macdonald. Being rich may come with many complications we do not think about, said the specialist. Topics include relationship and family problems. A psychologist can help the winner to manage the stress of his present and future. Having a well thought out plan helps minimize stress.

We must also accept the fact that becoming a millionaire cannot answer all the problems of life.

"Some people come into my office and are completely lost. I try to reassure my clients reminding them that money does not buy happiness, but it is a tool to accomplish your dreams" expresses Gina Macdonald.

Money can divide and tear families apart. "Choose to help your loved ones for a particular reason. Loan payouts, studies, travel ... But make sure they set limits and make them understand that it is a one-time financial contribution "advises Gina Macdonald.

"It depends on your family situation. If you are a young family, for example, think about the value of money you want to instill in your children. This is why many parents returning to work after their win, they want to keep feet on the ground," she added.

A good way to be left alone by asking hands, according to expert, is to invest the money wisely, distribute it to friends and family for specific projects, keep enough to live comfortably, and then give the rest to charities or start a foundation. Family discussions will help communicate limits.

Secrecy is not generally advisable due to social isolation and depression. Communicate with other lottery winners in the same situation may prove to be of great help because it is important not to feel alone, emphasizes the FDJ, which offers meetings between winners. Your social network, as a millionaire, may change as well as the places you frequent.

While it is good to communicate and discuss your new status, be careful not to expose too much. "Winning the lotto often causes unwanted media attention and can be difficult to manage for the winners," says Gina Macdonald. Control of information can quickly be lost in the media and especially today on social media.

Advice given from Lotto-Quebec: "Prudence and vigilance is in order. Winners must pay particular attention to the information they provide and be vigilant when receiving friend requests from people they do not know. "Phone number changes may also be recommended."

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