



## **Estate Planning – Not Just For the Elderly or Wealthy**

by Brad Davenport

Statistics suggest that between 50% and 64% of adults, depending on age, do not have a will. For young and middle-aged adults, it may seem unnecessary or premature to have a will or trust prepared. Despite knowing that none of us is guaranteed a tomorrow, most of us hope, expect and believe that we will live a long and full life. Naturally, we do not like to dwell on our own mortality. So, most of us tell ourselves that we will get to it later in life. But what if you and your spouse, who are in your mid-thirties with two small children, are killed in an accident next weekend while driving home from a rare night out. Do you have any binding or enforceable plan or instructions in place to designate who will raise your children? Who will oversee and make sure that any savings or life insurance you had is used for your children's care and education and not misused by an irresponsible relative or taken by creditors? What if you are severely injured and end up in persistent coma, do you have a living will in place to instruct your family and your doctor as to what life sustaining treatment you want to receive and what you want withheld? As shown by these examples, and for many other reasons, it is important that all adults, not just the elderly or wealthy, consider having a will or trust prepared or other estate planning done for the benefit of their family and loved ones.

Another reason to have estate planning done is to avoid the costs, time and hassle associated with having your property and assets go through probate. For those who have not been through a probate case for a family member's estate or are not otherwise familiar with this process, probate is a court proceeding where a judge appoints an executor or personal representative to gather up the deceased person's assets, make an inventory and accounting of those assets, identify and pay the deceased person's creditors, pay any estate taxes owed, and distribute the deceased person's remaining money and property to the beneficiaries named in a will; or, if there is no will, then the money and property is distributed to the deceased person's heirs as determined by state law without regard to what the deceased person may have preferred but never formally expressed in a will or trust.

According to statistics, Americans as a whole spend an estimated \$2 billion each year on probate cases, of which approximately \$1.2 billion is spent on attorney's fees and court costs. As such, it is obvious why it is financially beneficial to have estate planning done so that your family and loved ones can avoid the time and expense of a probate. There are a number of ways this can be done. For example, you can be assisted with titling your home and other real property that you own in such a way that it will pass to your spouse or other designated beneficiary upon your

death without having to go through probate. The same can be done with ownership of bank accounts, titles to vehicles, and most other kinds of property. Some people choose to set up a trust and transfer ownership of their property into the trust so that their family can avoid the time and expense of a probate.

Having a professional assist you with estate planning may help you or your family better understand and minimize estate taxes. Also, estate planning takes away additional stress and uncertainty for family members and loved ones in an already difficult time. Last but not least, by not procrastinating and having a will or trust prepared or other estate planning done, you get to make the decisions about the things that matter most to you – like the care of your children and the distribution of the money and property that you worked hard for.