



9 EXCUSES WHY PEOPLE DON'T PLAN THEIR ESTATES

Regardless of the size of your estate, you probably know that you should have an estate plan. It may be as simple as a will, or it may involve complicated trusts, estate tax strategies or passing on a family business. Unfortunately, many people don't do anything about their estate—until it is too late. Here are nine excuses why people don't prepare an estate plan, and what you can do to overcome them.

1. I don't see the need for an estate plan. You don't need a large estate facing taxes to need an estate plan. Even a small estate should have at least a will, a living will, a health care proxy and a durable power of attorney. And you may have a larger estate than you realize with growing retirement accounts, increased home values and life insurance—an estate that could face taxes.

2. I don't plan on dying. Estate planning, like buying life insurance, brings up the specter of death. By postponing estate planning, people feel, at least subconsciously, that they are postponing death. There's no easy solution to this excuse. However, thinking of someone you know who died without a well-prepared estate plan might motivate you.

3. I don't plan on dying—at least not soon. For some of us, it's not so much the fear of death as the idea that death seems a long way off. With life expectancies increasing, it probably is. But one of the reasons for an estate plan is to plan for the unexpected. A young father dying without a will can create just as many problems for his family, if not more, as an old man dying without a will.

4. I don't want to pay for it. Yes, it costs money to write a will, set up trusts, pay attorney and financial planning fees, and carry out the other things necessary to prepare a good estate plan. However, without such plans, the costs often are much more on the back end—costs your heirs won't be happy about.

5. I don't want to spend the time. Estate planning can take time. But the time involved for the survivors when there is no estate plan is even worse. A financial planner recalls a man worth \$15 million who postponed writing a simple will until it was too late. Probate for the man's estate took two years.

6. I don't want to talk about my family. You may have conflicts with your children or other family members that make estate planning difficult. Couples even fight over a will because they can't agree on who would be the guardian of their children if they were to die prematurely. Second marriages represent another major source of conflict in estate planning.

7. I don't want to talk about my money. Estate planning, especially for larger, more complicated estates, should involve the heirs. Yet many people feel uncomfortable discussing their money with their children or others. They need to realize that such secrecy can be very destructive to the family.

8. I don't want to ruin my kids. Some wealthy people don't want to leave money to their children for fear of spoiling them. They plan on letting them earn their own money. A parent certainly has a right to do what they want with their money. Unfortunately, sometimes this is an excuse for not doing any planning. Then much of their money ends up going to Uncle Sam—and some of it may still go to the kids.

9. I don't trust my kids. Some parents worry about their children's ability to handle money. The child may be a drug addict, a spendthrift, an alcoholic. Again, this can be an excuse for doing nothing. Proper estate planning, however, can work around this concern, such as the use of trusts to manage and parcel out money to the child. Or the money can be directed to charity, instead.

If you've delayed starting work on an estate plan, review the nine excuses above. See if one of them fits you. Talk about it with family members and your financial advisor. Sometimes that's all you need to do to prompt action.