PROCRASTINATION IS THE BIGGEST BARRIER TO ESTATE PLANNING

Putting it off and dying "intestate" may not be the legacy you want to leave your loved ones

The pandemic raised awareness about the importance of having a will, living trust, and other end-of-life documents. Still, only one in three American adults actually have a will or living trust[1]. According to the Caring.com 2022 survey, the top reasons people gave for not tackling estate planning were:

- "I haven't gotten around to it." (40%)
- "I don't have enough assets to leave to anyone." (33%)

If you're among the two-thirds of Americans who haven't created an estate plan, you might want to get started now. Even if you don't think you have enough assets to leave to anyone, you'll gain peace of mind by completing a last will and testament – as well as a living will stipulating what your end-of-life or care preferences are if you become incapacitated. Also, if you die "intestate" (without a will), a good share of your assets will be spent on attorney and court fees associated with probate.

A checklist for estate planning

By following this estate-planning checklist, you can rest easier, knowing that if you die or become incapacitated, your final wishes will be known.

- **Create an inventory of your tangible and intangible assets.** This should include vehicles, real estate, financial accounts and investments, health savings accounts, life insurance policies, business ownerships, retirement plans, collectibles, and more. Include the estimated worth of each item. Also, list any outstanding liabilities, such as mortgages, lines of credit or other debts that you haven't paid off yet. This will help the executor of your estate to notify any creditors in the event of your death.
- **Plan for your loved ones' needs.** This includes writing a will if you don't already have one. (There are online options for creating a will, if needed.) When you write your will, name a guardian for your children, as well as a backup guardian. Determine if you need life insurance—and how much.
- **Clarify your legal directives.** Executors, trusts, financial power of attorney, and medical care directives are important parts of estate planning. An executor is the person, bank, or trust company named in the will to carry out your wishes and settle the estate. A trust designates where portions of your estate go, eliminating the need for probate. A financial power of attorney designates someone to manage your finances if you become medically

[1]Caring.com: 2022 Wills and Estate Planning Study

unable to carry out those duties yourself. A medical care directive—or living will—details your medical preferences if you become unable to make those decisions. You may want to designate someone to make medical-related decisions for you (if you become incapacitated) by giving them a medical power of attorney. You may benefit from having different people representing your medical and financial interests to avoid potential conflicts of interest, as well as a backup for each.

- **Review your beneficiaries.** Don't leave beneficiary sections blank in your paperwork—including retirement plans and insurance products. Check older documents and/or accounts to see if your beneficiaries need to be updated. Also, name contingent beneficiaries in case a primary beneficiary dies before you do.
- **Regularly reassess your estate plan**. Circumstances change, whether it's marriage, divorce, a growing family, the death of a loved one, tax laws, or financial situations. Updating your estate plan may take some time, but will be worth it.
- **Consider whether you should hire a professional.** Will-writing options are available online and through software programs, and may be a good choice for those with smaller estates and uncomplicated plans. They generally account for IRS and state-specific requirements, and use an interview process to walk you through the steps. Make sure you do some research first to ensure they comply with federal and state laws. If you need more peace of mind than a software program can provide, you may benefit from consulting with an estate attorney, who may also recommend a tax advisor.

Start your estate planning sooner, rather than later

If you've postponed your estate planning because you're young or don't have much for someone to inherit, consider how difficult it may be for your survivors to go through probate, which is an expensive, time-consuming, and intrusive process. You may not have the assets and potential heirs of billionaire Howard Hughes, but he died without a will and it took more than 34 years to settle his estate[2]. For more incentives to write a will, read the Forbes article "Horror Stories: When You Die Without A Will."

[2]PlannedGiving.com: Look at All Those Poor People Who Died Without a Will...