

A photograph of a desk with a fountain pen, glasses, and a document titled 'Last Will and Testament of'. The document is open, and the pen is resting on it. The glasses are on the desk in the background. The image is overlaid with a dark grey semi-transparent box containing the title text.

Where There's a Will,
There's a Way:
**Estate
Planning 101**

**DIVERSIFIED
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The twenties and thirties are an ideal time for getting established for future financial success. However, the various and competing financial goals and responsibilities such as student loans, home purchases, raising children, and saving for retirement can be daunting and overwhelming. Diversified Trust has compiled a series to help guide young people toward a brighter financial future.

Think about your most prized possessions. If something were to happen to you tomorrow, what would become of them? Who would get them? It might not seem like a big deal right now, but, as your life changes, your career evolves, and your assets grow, estate planning becomes very important.

Estate planning should begin early in your career, even if your “estate” is sparse. Once established, you should update your plan often, particularly as you begin to accrue significant assets.

Based on a 2014 study conducted by PWC, only 24% of Millennials demonstrate basic financial knowledge. Among the overall population, Millennials are the age group with the lowest level of financial literacy, and only 27% are seeking professional financial advice on saving and investment.

► WHERE SHOULD I START?

Your initial estate plan doesn't have to be complicated. Perhaps it is nothing more than a basic will. A basic will is important for everyone, regardless of how you would categorize your estate. Wills can establish executorship, title of assets, division of household or tangible personal items and any other specific bequests or requests, as well as to establish guardianship for minor children.

Establishing guardianship is a particularly important part of your will if children have entered the picture. If both you and your partner or spouse were to die, you will want to have named an individual or individuals who will be responsible for caring for and raising your children. Without an established guardian, the decision may be left up to a family member or a judge, situations which may not have the outcome you would have desired.

We, at Diversified Trust, recommend that you work with an experienced estate planning attorney to prepare and execute these documents.

► AND THEN WHAT?

Once you have more than a small amount of property to address in a will, it is time to pursue a more detailed estate plan to tell an executor how assets should be divided or disposed of in the event of your death. Significant assets left through a will may be subject to probate court proceedings, but an advisor or attorney can help guide you through options such as creating trusts, establishing power of attorney and more.

BASIC ESTATE-PLANNING DOCUMENTS

DOCUMENT	PURPOSE	WHEN EFFECTIVE
Will	Distribution of property; care of minor children or other dependents	Upon death
Revocable Living Trust	Management and distribution of property	During life and at death
Durable Power of Attorney	Management of financial decisions on your behalf	During life, usually in the event of incapacity
Durable Power of Attorney for Healthcare	Healthcare decisions	During life, in the event of incapacity
Living Will	Decisions on end-of-life treatment	During life, in the event of incapacity and end of life

► WHEN SHOULD I ADJUST?

Your circumstances will likely change many times throughout your life, and so should your estate plan. When you get married, you will want to update your overall estate plan to name beneficiaries. Then, with the arrival of children, you should establish guardianship and potentially consider the use of trusts to manage the children's financial assets.

Beyond these milestones, you should make it a point to revisit your estate plan every few years to update it. For example, after establishing a grandparent as a guardian, you may want to make a change if the designated individual is no longer physically able to properly care for your children. Or perhaps you have received an inheritance yourself that should be accounted for in your estate plan. Even if your personal situation never changes, your financial one undoubtedly will, so it's important to reassess your plan periodically.

Making plans for your property in the event of your death is not a pleasant or easy exercise, but it is incredibly important. The wellbeing of your children and your hard-earned assets depend upon it, so get started today.

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