



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

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The twenties and thirties are an ideal time for establishing future financial success. However, various and competing financial goals and responsibilities such as student loans, home purchases, raising children, and saving for retirement can be 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 happened to you tomorrow, what would become of them? Who would get them? Estate planning might not seem like a big deal now, but as your life changes, your career evolves, and your assets grow, it 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 accrue significant assets.

*Over the next twenty years, older Americans are projected to hand down approximately \$70 trillion to their Millennial and Gen X heirs in the Great Wealth Transfer. Gen X (born 1965-1980) will inherit 57% of these assets, while Millennials (born 1981-1996) will inherit 43%.*

## ► 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 tangible personal items, and other specific bequests or requests. Wills can also establish guardianship for minor children.

If you have children, establishing guardianship is a particularly important part of your will. If both you and your partner were to die, you will want to have named an individual or individuals to care for your children. Without an established guardian, the decision may be left to a family member or judge - a situation which may not have the outcome you desire.

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. Without a detailed estate plan, significant assets left through a will may be subject to probate court proceedings. An advisor or attorney can guide you through options such as creating trusts, establishing power of attorney, and more.

### BASIC ESTATE-PLANNING DOCUMENTS

DOCUMENT	PURPOSE	WHEN EFFECTIVE
<b>Will</b>	Distribution of property; care of minor children or other dependents	Upon death
<b>Revocable Living Trust</b>	Management and distribution of property	During life and at death
<b>Durable Power of Attorney</b>	Management of financial decisions on your behalf	During life, usually in the event of incapacity
<b>Durable Power of Attorney for Healthcare</b>	Healthcare decisions	During life, in the event of incapacity
<b>Living Will</b>	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. Milestones such as starting a business, marrying, or having a child should prompt updates to your estate plan. You may consider updating beneficiaries, establishing guardianship, and using trusts to manage your assets.

Beyond these milestones, you should make a point to review your estate plan every few years. For example, after establishing a grandparent as a guardian, you may want to make a change if the designated individual is no longer able to properly care for your children. Or perhaps you received an inheritance that should be accounted for in your estate plan. As your financial situation will undoubtedly change, it is important to reassess your estate 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.

#### IMPORTANT NOTES AND DISCLOSURES

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