

Estate GUIDE



Leaving a Legacy

How will you be remembered? You work your whole life to get ahead and provide for your family. When it comes time for estate planning, it's natural to think about your legacy.

And you don't need an exorbitant amount of financial savings to make a difference in your community.

Are there certain organizations that you believe in? Maybe you've devoted large chunks of time to advancing their goals and missions? A lawyer can help you set up a will that lays out how your estate will be split among the groups for which you are most passionate.

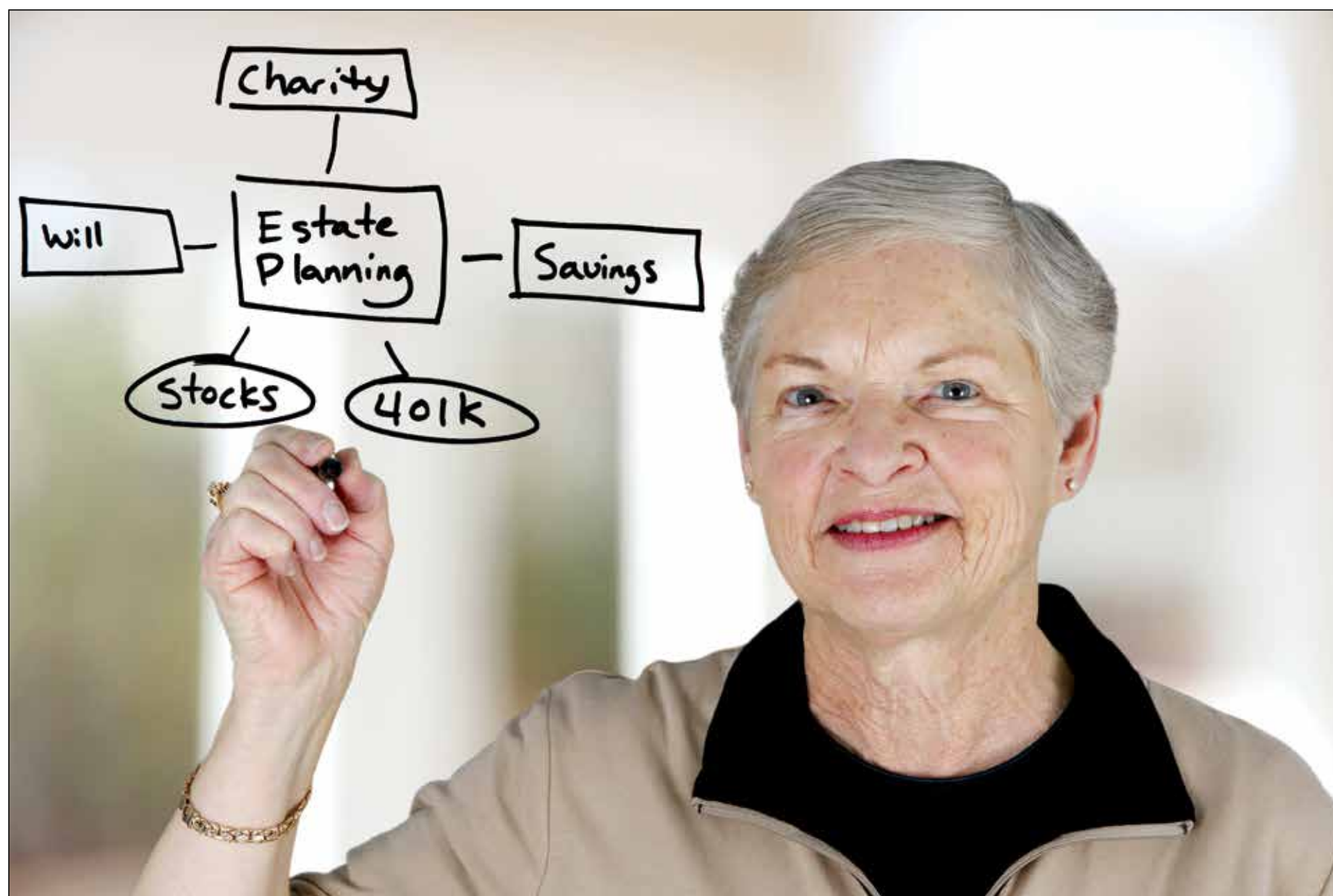
FUND A SCHOLARSHIP

One way to positively impact your community for years to come is to set up a college scholarship program with some of your financial savings. Coordinate doing so with your target high school and an attorney who specializes in wills, trusts and estates.

Once the details are set on the legal end, this can be a fun project because you can choose specific eligibility requirements for the scholarship.

Let's say you've been interested in the music arts for many years. Your scholarship can be offered only for students who wish to pursue a career in music.

You can make the application process require an origi-



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nal recorded piece for consideration for the scholarship. Don't forget to set up a collection of friends or school officials as the scholarship board, which will be entrusted with keeping the legacy going and selecting the winning students.

TALK IT OVER

Many people have a difficult time deciding how they'll divvy up their savings and possessions when they pass away. Emotions may run high if one of your family members feels they aren't receiv-

ing equal amounts of your estate.

That's why talking about making a large charitable donation is so important. Trustworthy, loving family members will respect your wishes to contribute some of your financial savings, prop-

erty or even possessions to a charitable organization.

Others may have negative feelings toward your decision. It's critical that you have an open discussion with your closest family members to get feelings out on the table to achieve an honest dialogue.

Do You Have a Will?

Writing a will does not have to be a scary experience. In fact, it can be a positive one that leaves you feeling secure about having things in order — even if you're in your 20s or 30s.

If you have children, valuable assets or great financial savings, the time to write a will is now. And you shouldn't do it alone. A legal expert who is trained in the area can provide you with great tools and strategies for effectively making a plan to leave behind your estate to friends, family or charitable organizations.

WILLS

Many Americans do not have a will and postpone creating one, according to the Health and Retirement Study, a biennial survey of 26,000 people over the age of 50 supported by the National Institute on Aging and administered by the University of Michigan.

Even among those over the age of 75, only 75 percent have a will, the study found. So why doesn't everyone have a will? Fear may be a major factor for many as they consider writing a will an uncomfortable topic too closely related to the subject of death.

In fact, you should think of it in the opposite way. Writing a will means you are actually helping your family members in the case of your passing. Would you want them dumbfounded with figuring out who receives your savings, your home and your most prized possessions? Spell all of this out in your will and save your fami-



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ly members the stress of guessing how you wanted your estate split.

CHOOSING AN EXECUTOR

Making a will requires plan-

ning, including choosing an executor. The ideal candidate will be someone who fully understands the responsibilities of that role.

Before asking a close friend or loved one to take on the role, understand that it can be

a logistical challenge. There's record-keeping, management of multiple passwords and updating of critical documents.

Not to mention the pain of seeing someone they know and love go through an end-

of-life situation. No matter how prepared they may think they are to handle executor responsibilities, the reality of the situation can be overwhelming once the time comes to make high-stress decisions.

Financial Elder Abuse

It is a shocking yet very real crime affecting the elderly population. Imagine receiving a letter from a creditor stating that you have neglected to pay your bill for months.

You call your power of attorney — most likely a family member — to ask why the bills haven't been paid and you get no response. A little more digging reveals that your savings have whittled down to nothing.

This is an example of financial elder abuse, and it happens more often than you may realize.

STAGGERING STATISTICS

The Centers for Disease Control and Prevention estimate that over 500,000 elderly Americans suffer from financial elder abuse annually. The CDC reports that this number is likely higher because of the large segment of the elder population who cannot report financial abuse because they either don't know about it or choose not to out of fear.

This number is apt to continue to increase, says the CDC, as those 65 and older will make up 20 percent of the population by 2050.

REAL DILEMMA

In 2009, elderly Americans lost an estimated \$2.9 billion to financial exploitation, according to the CDC. Americans suffering from elder abuse also can often experience significantly higher levels of psychological dis-



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tress than older individuals who have not experienced abuse.

Financial abuse can come at the hands of many different individuals, including workers at care facilities, friends and con artists. But the most alarming aspect of financial

elder abuse is that the majority of crimes are perpetrated by a family member.

WHAT TO DO

The key for an elderly person to avoiding financial abuse is maintaining open,

honest communications with those around you. Ask to see regular statements of your finances, even if you have put a family member or friend in charge of tracking them.

Also, it never hurts to have more than one set of eye-

balls on your money. Asking two people close to you to maintain your finances will help create a checks and balances system, and also will increase the likelihood of any potentially devious behavior being reported to you.

Generational Gaps

Which generation do you claim as your own? Baby Boomer? Generation X? Generation Y?

A recent survey by U.S. Trust made the interesting connection between estate planning perceptions and the generation to which a person belongs. Every generation has its own challenges in regards to estate planning and must take these factors in consideration when deciding how an inheritance will be broken down.

People from the later-phase generations X and Y are starting to realize the importance of creating elder care plans for their parents, as well as having one for themselves. With advancements in technology and new medicine, we are living longer lives.

The average costs for nursing and long-term care facilities only look to increase in the coming decades. Smart financial planning now will make for lesser burdens when it comes time to pay for these rising expenses.

The numbers below provide an insight into how the different generations are handling their pre-planning and estate planning now — and how they hope their decisions pay off. First a recap on how generations are defined for the purposes of this study:

- Generations X and Y (18 to 46 years old)
- Baby Boomers (47 to 66 years old)
- Older Generation (67 years and older)



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THE NUMBERS

- 40 percent of those surveyed in generations X and Y have taken the time to create elder care plans for their parents

- 61 percent of wealthy parents surveyed are under the impression that their kids are unable to handle finances. Half of those wealthy parents fall within the Baby Boomers generation.

- 51 percent of those surveyed had created a living trust, which depending on your needs, generally allows you to pass more of your inheritance to specific parties with the least amount of

- delay
 - 43 percent believed that having a will replaced the need to have a trust
 - 31 percent admitted to procrastinating about getting any kind of estate plan

Planning for Farmland

Estate planning doesn't solely cover your financial savings or home. It can also include your property and land.

And in no other industry is land more valuable than farming. By building and implementing an airtight estate plan, farmers and ranchers can ensure a smooth transition of land ownership and management when the time comes.

An estate plan can provide for the needs of all family members, even those who aren't actively engaged in its daily functions. It also can help mitigate the risk of high inheritance taxes on land that is made more valuable by inflation. And because land is not a liquid asset, an estate plan is important in stemming and addressing any potential settlement problems.

IMPORTANCE

A quarter of the nation's agricultural land is likely to change hands in the next decade, according to the USDA Natural Resources Conservation Service. Making sure that land remains productive and valuable is a critical goal that can be achieved with an effective estate plan.

A good estate plan can help accomplish at least four goals, spelled out by the NRCS:

- Transfer ownership and management of the agricultur-



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al operation, land and other assets to a new operator;

- Avoid unnecessary transfer taxes (income, gift and estate)

- Ensure financial security and peace of mind for all generations; and

- Develop the next generation's management capacity

WHO CAN HELP?

One organization under the NRCS is the American Farmland Trust. The organization serves agricultural landowners, concerned citizens, planners, local officials, state agency staff, land trusts and policymakers by answering

complex questions on topics ranging from farmland protection options to conservation programs. You can find more about the NRCS and its trust at www.farmlandinfo.org.

The group responds to requests for information by phone, e-mail and mail and can provide statistics, review

plans, easements and ordinances to help you in your land management needs.

You also can reach out to a local legal expert to discuss your concerns and needs. Even if the firm isn't an expert in the field, the attorneys likely will be able to send you to someone who is.

Holistic Planning

What's most important to you after you are laid to rest? For many, it's family harmony. This is where holistic planning comes into play.

Parents who wish to leave foundations, trusts, businesses, properties or other assets to their offspring face a unique challenge: keeping everyone happy. Family fighting over money and property is unfortunate — but it does happen.

Wills and estates are among the last gifts parents leave their children, and the gifting comes at a very emotional and sensitive time. Add to this the immense pressure of knowing that how they dole out their assets can impact future generations, and it's no wonder that holistic — or collaborative — planning is such a critical strategy.

WHAT IS HOLISTIC PLANNING?

Holistic planning is an approach that involves parents collaborating with adult children to create a better estate plan. The children are engaged throughout all phases of the process, giving them the chance to voice any concerns and state what is most important to them.

This is a recently emerging method, one that is slowly replacing highly secretive processes executed with little or no open discussion. This outdated approach can leave many surprised when the will is read.

WHY DOES IT WORK?

The National Center for Family Philanthropy breaks down why holistic planning is becoming more popular:

- Parents gain assurance that their children will feel fairly treated



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- Parents also gain assurances that the family will (hopefully) not fight over assets once the conversations and decisions have been finalized

- It provides a final opportunity to communicate and reinforce values and hopes for future family success

THE CONVERSATION

As long as everyone is comfortable in talking about the subject of estate

planning, it can be effective to make a family retreat out of the discussion.

Taking a short trip somewhere enjoyable and spending some quality time on the topic is a great way of lightening the mood.

This is especially effective if the parents are actually healthy and well.

This is not to paint the process as 100 percent satisfactory.

As the assets and property are discussed among family members, emotions may still be attached to certain aspects of planning that impact who gets what and how much.

But maintaining control of the conversation and realizing that the parents have the final say over what happens to their possessions is the most important thing to remember when choosing to go this route.

Funeral Planning Checklist

With family responsibilities, bills and savings goals, one of the last things on your financial radar may be pre-planning for your own funeral.

But taking care of this now can save you money and your family stress when the time comes to say goodbye. You can choose from a large number of memorial societies that will help you plan your own funeral and burial options. And many funeral homes will lock you in at today's rate, even if you have a full 40 years of life expectancy left.

When pre-planning your own funeral, there are many details to consider. A few services offered by funeral homes are listed below. A professional can walk you through the costs of each to help you build an accurate budget.

POTENTIAL COSTS

- Embalming and other body preparation
- Selecting flowers, headstone, plaque or tomb
- Renting facilities for viewing the body
- Memorial cards and guest book
- Tents and chairs for the funeral
- Copies of death certificate

QUESTIONS TO CONSIDER

- Will you have a burial or cremation, or donate your body to science?
- Will the casket be open or closed?
- Will there be an indoor memorial or graveside service?
- Who will conduct the service?
- Will there be music played at the service?
- Will there be a celebration-of-life lunch or dinner?

