



Your Money Matters

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TheJewishAdvocate.com JULY 20, 2007

Get the ball rolling on estate planning

By Deborah H. Levenson

Have you done any estate planning yet? If not, you are not alone. Many people mistakenly believe that estate planning is only for the wealthy. We believe that if you love anyone, or own anything, then you are likely to benefit from some estate planning. For example, if you have young children, then it is critical that you appoint an appropriate guardian in the event of your death. If you have a special needs child, then it may be important that you create a trust to ensure they are cared for throughout their lifetime. As you can see, an estate plan goes way beyond just a will.

So why do otherwise smart people avoid estate planning? New clients often tell us that they have just not gotten around to it yet. In some cases, they actually met with an attorney but never completed the process. As a former procrastinator who finally got around to doing my own estate planning, I can appreciate how easy this is to delay. There are no external deadlines. And confronting your own mortality (or incapacity) is not pleasant. But having seen first-hand the consequences of individuals dying without proper planning, I can vouch for its importance.

Here are five of the toughest elements of estate planning ... and a few suggestions to help you take action.

1. Which attorney to hire? There is no shortage of attorneys in Massachusetts. Your first cut should be to consider lawyers who specialize in estate planning. You can ask friends, co-workers or other professionals (CPAs, financial planners, etc.) for referrals to estate planning lawyers. Or, visit the American Bar Association's Web site and search under estate planning. Great attorneys can be found both downtown and in the suburbs. Costs vary so be sure to ask for an estimate be-



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fore making a decision. If you use a solo practitioner, ask about his/her contingency or longevity plan. Who will work with you or your family if the attorney is unavailable? —

2. What does the attorney need? How to get organized? Some people are put off by the detailed questionnaires that attorneys send in advance of initial meetings. It is tough to pull together all the information they require including details on all assets and liabilities. If you maintain an updated net worth statement, then this is not very difficult.

3. Who should you appoint as executor, trustee, proxy, guardian, etc? The toughest part of drafting an estate plan is often the selection of who should handle your affairs if you were incapacitated or dead. Understand that the executor has a short-lived job since they are only responsible for settling your estate. The trustee, however, may play a key role for decades. Again, consider who your beneficiaries will be most comfortable with.

4. Who should inherit what? Most of our clients plan to leave their entire estates to

their spouses and their children. However, sometimes people want to thank (and help) friends who have been good to them during their lives by providing a financial benefit at death. Others want to leave a charitable gift. The process of making these decisions can be challenging. You can designate specific amounts (or percentage of your net estate) to be given to individuals or charities of your choice. Over time you may amend your decisions. Clients often ask whether they should leave more money to their less successful children. We believe that the best course is to divide proceeds equally between children to avoid tension or resentment that might arise if you are perceived to be playing favorites.

5. How to communicate your wishes before death? Don't wait until your attorney has to reveal your choices to your grief-stricken family. Try to speak with individual family members yourself. There is no need to disclose financial details, but make sure that each person chosen to play a role in your estate plan understands why they were chosen and what your wishes are. If you are not comfortable having these discussions, it may make sense to draft a side letter explaining your decisions.

I understand why smart people procrastinate on estate planning. But when you witness the tragic consequences for family members as a result of a simple lack of planning, you understand just how important estate planning can be.

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