Don't Wait Another Day

Estate Planning Tips for Middle-Aged Investors

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WHEN IT COMES TO ESTATE PLANNING, most middle-aged investors, which we'll define as people between the ages of 35 and 54, tend to procrastinate. They think they have plenty of time to get their affairs in order, and, like heaven, creating an estate plan can wait. But estate planning is something that should be done sooner than later. A recent survey by Caring.com revealed that middle-aged individuals are now less likely to have an estate plan than their younger counterparts. The trend is concerning, especially for those with children or those who know how they want their assets distributed after their passing. Flatly stated, delaying estate planning is putting yourself and your loved ones at risk of financial and emotional hardship.

COMMON MISCONCEPTIONS AND THE RISKS OF DELAYING

By definition, estate planning is the process of preparing for the transfer of your property and assets after your death. It involves creating a will, setting up trusts, designating beneficiaries, and more. The goal of estate planning is to protect your assets and ensure they're distributed according to your wishes.

Misconceptions about estate planning prevent people from taking action. One of the most common is that only the wealthy need an estate plan. This couldn't be further from the truth. Everyone needs an estate plan, regardless of their net worth. Another misconception is that estate planning is only necessary for the elderly. But anyone can become incapacitated or pass away unexpectedly; it's important to have a plan in place at any age.

According to Caring.com, only 32 percent of adults in the U.S. have estate planning documents, such as a will or living trust. This means that the majority of people are putting their families at risk of financial and emotional difficulties should something happen to them.

Estate planning should be done sooner rather than later.

Delaying estate planning can lead to a host of problems. For example, if you die without a will, your assets will be distributed according to state law, which might not be how or

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what you want. Your loved ones might receive less than you intended, or not receive anything at all. Additionally, without a designated guardian in place, your children could end up in the care of someone you wouldn't choose.

10 STEPS TO TAKE TO CREATE AN ESTATE PLAN

Now that we know the basics of estate planning, how can you get started? Creating an estate plan doesn't have to be a daunting task, especially if you have a trusted advisor to help you. Here are some steps to get you started:

1. Consult with a Financial Advisor: Seeking the expertise of a financial advisor with experience in estate planning can be invaluable. They can provide personalized advice, help you navigate complex financial matters, and ensure your estate plan aligns with your goals. The team at HBKS® Wealth Advisors is here to help you get it done comprehensively, accurately, and in conjunction with your attorney, to ensure your wishes will be carried out.

2. Educate Yourself: Take the time to familiarize yourself with the various aspects of estate planning. Understanding the different documents and their purposes will empower you to make informed decisions. For example, the beneficiary you designate for your 401k plan or an insurance policy will take precedence over anything you might indicate in your will.

3. Assess Your Assets: Conduct a thorough inventory of your assets, including financial accounts, real estate, investments, and personal property. This will help you determine the scope of your estate and make informed decisions about how to distribute those assets.

4. Consider Guardianship: If you have minor children, it is crucial to designate a guardian who will take care of them in the event of your passing. Choose someone you trust and discuss your wishes with them beforehand.

5. Periodically Review and Update Your Plan: Life circumstances change, so it's essential to review and update your estate plan regularly. Major life events such as marriage, divorce, births, or deaths in the family should prompt a review to ensure your plan reflects your current wishes.

6. Communicate Your Plan: Once your estate plan is in place, it is crucial to communicate your wishes to your loved ones. This will help avoid confusion and potential conflicts after your passing. Consider sharing important details with family members, the executor of your will, and the appointed guardian(s) of your children.

7. Understand the Tax Implications: Estate taxes can significantly impact the distribution of your assets. Familiarize yourself with the estate tax laws in your jurisdiction and explore strategies to minimize taxes, such as gifting or establishing trusts.

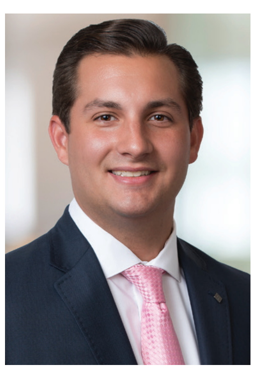
8. Secure Important Documents: Keep your estate planning documents, including your will, trusts, and advance directives, in a safe place. Consider providing copies to trusted individuals or keeping them in a secure digital format. Inform your loved ones of their location and ensure they have access when needed.

Tax loss harvesting is a powerful tool you should discuss with your financial advisor and CPA.

9. Consider Charitable Giving: If you have philanthropic goals, explore incorporating charitable giving into your estate plan. Charitable trusts and bequests can help support causes you care about and serve to reduce estate taxes.

10. Regularly Review Beneficiary Designations: Again, ensure your beneficiary designations on financial accounts, retirement plans, and insurance policies are up to date. These designations supersede instructions in your will, so it's essential they reflect your current wishes.

Estate planning is not a one-time task but an ongoing process. As your life evolves, so should your estate plan. By staying proactive and regularly reviewing your plan, you can ensure that your assets will be distributed according to your wishes, providing peace of mind for you and your loved ones. And perhaps most importantly, consult with your financial advisor or attorney to ensure your estate plan is and remains comprehensive and executable.



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