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*Registered Investment Advisor*

## MAKE ESTATE PLANS TO BENEFIT YOURSELF AND YOUR LOVED ONES

The consequence of **not** implementing basic estate planning tools such as a standard will, a living will, or a financial power of attorney is to make life difficult for yourself and your loved ones. Without these documents, your property may not end up going where you want it to go; you may also put unnecessary stress—emotional and financial—on your loved ones upon your death or in the event you become incapacitated. With just a few basic steps much of this stress can be eliminated.

A recent survey conducted by Harris Interactive for lawyers.com highlighted just how ill prepared American adults are in this area. Six in ten did not have a standard will and seven in ten did not have a living will or medical directive. Three out of four did not have a power of attorney for their finances.

Why such a lack of preparedness? Twenty-one percent said they didn't have an estate large enough to bother with an estate plan, and 15 percent said they weren't old enough or sick. Another eight percent conceded that they didn't have an estate plan because they didn't want to think about death or incapacitation.

The reality is that going through life without an estate plan can be a disaster for your loved ones, and even yourself. No adult is too young or has too small an estate to warrant skipping some of these basic fundamental estate planning components.

**A will.** A will directs the state where and how you want your personal property and other assets distributed when you die. Without a valid will, the state will decide how to distribute your assets according to statute. Wills are especially critical if you're married, have children, or have other dependents. If you have minor or dependent adult children, the will should designate who will take care of them in the event of your death. Even a young, single person with modest assets should have a will if they care about where their assets would go should they die young.

Keep in mind that a will controls only property that is in your sole ownership, such as personal possessions, antiques, automobiles, your favorite golf clubs, or possibly your home. It does not control jointly owned property such as bank/brokerage accounts, or assets with beneficiary designations such as life insurance, or retirement accounts.

**Advanced directives.** The two key advanced directives are (1) a living will and (2) a medical power of attorney. The living will is your expression of what life-sustaining medical treatment you want or don't want should you become permanently incapacitated. It can provide invaluable guidance to your loved ones at a time of great stress. Though not always honored by medical institutions, a medical power of attorney gives a third party, such as a spouse or adult child, the power to make medical decisions on your behalf when you're unable.

**Durable power of attorney.** As the lawyers.com survey found, most people don't have a durable power of attorney for their finances. A durable power can give another person, such as your spouse, child, or sibling the legal power to act financially on your behalf should you become incapacitated, even if temporarily, and this can be as restrictive or as comprehensive as you wish to make it.

While many people believe medical directives or powers of attorney are just for older people, the reality is that one can become incapacitated at any age. Recent surveys, found that one in five people under the age of 50 have received unpaid custodial care by another adult, such as a relative.

While you can buy "off the shelf" estate planning documents such as wills and living wills, it's almost always best to hire an attorney to draft or at least review the documents so they are tailored to your desires and conform to your state's laws. The last thing you want is something left open to misinterpretation, challenge, or that is just plain invalid.

For additional information, about estate planning or the financial planning process, please give us a call. We are organized as a fee only planner, we do not sell investment products or receive commissions, and we never charge for the initial meeting.

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