



ESTATE PLANNING BASICS

Estate planning is just another form of financial planning. The basic purpose of estate planning is simple: It is to either maximize a person's wealth or reduce their expenses. The only difference between estate planning and general financial planning is that estate planning has a longer horizon and extends on to your children and other descendants.

Most people who wish to do estate planning and who do not have unusual or exceptional circumstances wish to accomplish some or all of the following goals:

1. Insure that your assets will go to the people you want to inherit them.
2. Avoid the cost and inconvenience of having to go through a probate of the estate.
3. Protect the value of your estate from the Medical Assistance laws and nursing home costs.
4. Provide for minors and younger children's needs.
5. Avoidance of estate taxes.

If you consult with a professional for estate planning advice, the person you meet with in general should be able to save you, or more likely your heirs, more money than the cost of the consultation. If the estate planning session does not save you more money, it should at least substantially reduce your risk of having your estate depleted unnecessarily during your lifetime. A good professional in estate planning should learn during the conference the client's primary objectives and concerns and advise the client on the different options available to achieve those objectives. Generally, the objectives clients wish to achieve are one or more of the five general goals listed above. Upon completion of the estate planning session, a competent advisor will explain the options that exist for you to achieve your particular estate planning goals and will further explain the advantages and the risks associated with each option available to you. A professional planner will then allow you whatever time you feel you need to consider the options available to you, discuss them with you spouse or such others as you may choose, and will then assist you in implementing those chosen options to achieve your goals. Except in an emergency, such as a serious illness, there should be no need to make an immediate decision or to take any particular course of action.