

Seven Tips for a Successful Estate Plan

By: Exchange Capital Management

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Estate planning might not be the most enjoyable topic, but it's undeniably one of the most important. When done correctly it can ensure that your assets are distributed smoothly and according to your wishes. Here are some tips to help you protect your loved ones and make the process as straightforward as possible.

1. Start The Conversation Early

Building an estate plan is not a simple process; it takes time. The sooner you begin your planning, the more time you'll have to strategize with your beneficiaries, loved ones, and advisors. When talking through your estate plan with those you trust, try to have open and honest conversations. Talk about your wishes and listen to theirs as well. This can help prevent misunderstandings and conflicts down the road.

2. Be Adaptable

The key to a successful asset transition is understanding your beneficiaries' goals. If one wants to maintain a particular asset, while others are interested in selling, you may want to adapt your wishes to help your family avoid future arguments.

For example, inheriting a home can often lead to disagreements amongst beneficiaries. Some siblings may want to hold onto it and others may want to sell the home. By talking with your beneficiaries and learning their preferences, you can find a fair solution to prevent long-lasting family rifts.

One way to solve this issue is by distributing assets differently. You might decide to leave the house exclusively to the one who wants to keep it. In exchange, you can provide the other beneficiaries with additional assets to make sure everyone gets an equal share.

3. When Life Changes, So Should Your Estate Plan

We recommend a thorough update every five to ten years, adjusting as needed. Events like marriage, divorce, the birth of children or grandchildren, and changes in financial status can all impact your estate plan. Life changes fast, so staying vigilant with your plan is vital.

4. Maintain Up to Date Beneficiaries

Don't forget to review and update beneficiary designations on all of your assets and insurance policies. Failing to do so could result in some loved ones being unintentionally overlooked. Take the time to thoroughly double-check your designated beneficiaries and make any required changes. Be cautious when choosing beneficiaries, as they will overrule any instructions outlined in your wills and trusts.

5. Keep Records

Keeping records of all your assets, debts, and important documents will dramatically simplify matters in the long run. This should include your will, insurance policies, and account information. Your beneficiaries will not only appreciate it, but also feel more relaxed, calm, and better off in the knowledge that everything is well-organized and secure.

6. Simplification Is Key

We often stress the importance of simplification in many areas of life, estate planning is no exception. Simplify your estate by creating a clear and concise plan that outlines your intentions. Remember, the simpler your plan, the easier it will be to execute.

It's not just your estate plan that deserves your attention; simplifying the rest of your finances is equally as important. As you age, managing multiple accounts, assets, and professional relationships can become more challenging.

For instance, having too many financial advisors or attorneys can be confusing because they may not be on the same page or have the same information. To simplify matters, we recommend creating a team with a handful of professionals you can trust to execute your

plan. This reduces your professional relationships and assets, making it easier for your loved ones to manage your finances and collaborate with those you trust the most.

7. Reach Out to a Professional

Consider seeking legal advice to navigate the complexities of estate planning. An experienced attorney can guide you through the process, helping you draft a will, establish trusts, and ensure that your wishes are legally binding. They can also work with your financial advisor and help minimize potential tax liabilities, ultimately benefiting your beneficiaries.

Once you've done all the heavy lifting with a legal professional, the final step is often the simplest, yet the most important: place your assets in the agreed-upon trust, update beneficiaries, and establish power of attorney where needed. Here's where the value of a financial advisor truly shines. While your work with an estate planner is essential to make your wishes legally sound, your financial advisor will help with the rest. Their job is to know you, understand your goals, and have an inherent grasp on your finances. Not only can a trusted advisor help you plan for the future, but they can also be an invaluable guide for your loved ones when you're gone.

The Bottom Line

The death of a loved one can be immensely troubling and filled with grief. When it is time for your loved ones to mourn and process your passing, a strong estate plan can help ease the logistical and emotional burden of managing what comes next. Following these tips will not only protect your beneficiaries but also ensure a smoother transition of your assets. At the end of the day, estate planning is ultimately about providing peace of mind, guaranteeing the well-being of your loved ones, and preserving your legacy.