



CenterPoint

Gift Planning Ideas to Benefit Family & Friends

October 2004

Eight Reasons People Don't Make Wills

by John G. Watts



Every national survey I have read indicates that the majority of adults do not have a valid will, living trust or other plan for distribution of their resources. The question is "Why?" Over the years I have found at least eight reasons people do not have a will prepared.

1. *A Reluctance to Face Death.*

People frequently feel that once their will is prepared they will die immediately. A will reminds them too much of death. To ignore the ultimate reality of death is folly.

2. *Procrastination.*

All of us realize the uncertainty of life. Someone once described our life as a vapor that appears for a little time and then vanishes away. Like Scarlet O'Hara, we say, "I'll think about that tomorrow." The key, of course, is that we simply do not know the concluding events in our life's work here. The safest and most considerate approach for those we love is to be prepared.

3. *Too Little Property.*

We look at what we own and say there is not enough there to matter. It is safe to say that modest estates need more thought and planning than larger ones. The beneficiaries of modest estates cannot afford to have the small resources they inherit squandered or wasted. Another fact people often overlook is that the very cause of death may create an estate of more value than they realize.

4. *Too Expensive.*

Many people feel a will is too costly. But it may be the bargain of a lifetime. Attorneys will gladly discuss their fees with you. The will we most commonly use today is referred to as an attested will, so-called because it must be certified or witnessed. Many people attempt to write their own wills only to overlook some legal technicality. The result can be disastrous, in that they totally fail to accomplish their purpose when the document is later declared invalid. Even if the document is declared valid, it still has created difficult legal work and expense for loved ones — a problem that could have been avoided with competent legal counsel.

continued on back page

Where Do I Begin My Plan?

Perhaps the most important part of will and estate planning is taking the first steps. Putting in writing an outline of your assets and goals is for many people the best place to start. Committing wishes to paper can make them more attainable.

Writing a thoughtful outline of your estate can save you money, too. Your attorney can more quickly prepare your will with the necessary information about your circumstances. Since attorneys charge for their time, professional fees can thus be less.

Keep in mind the “Four Ps” of estate planning as you make your list:

The 4 Ps of Planning

People



Property



Plans



Planners



People: First, write down the names of the *people* for whom you want to plan. They might include family members, such as a spouse, children, grandchildren, close friends, and employees.

Property: Second, list all the *property* you own. Besides cash, note other property, such as real estate, stocks, automobiles, life insurance, investments, and collections of value. Try to estimate the dollar value and the cost of all your property. Show any income it produces.

Plans: The third “P” will be your *plans* for matching people and property. List which property you want to go to each person named. You may also consider charitable bequests to organizations you have supported.

Planners: Finally, list the *planners* you will need to put your plans in action. An attorney should be involved, and possibly a CPA. Your bank and life insurance professionals, investment advisors, and representatives of the charitable institutions and organizations you wish to remember may also take part.

You are now ready to meet with your attorney, who will prepare a draft of your will and other necessary plans for your approval. Once all details are settled, your will and related documents are ready for signing. Make an appointment today, and discover the peace of mind provided by a well-planned estate.

Charitable Gifts and Wills

Charitable gifts through your will and similar plans offer a way to provide lasting support for institutions and organizations that outlive us all. After providing adequately for loved ones, bequests can play key roles in many people’s estate plans, helping them make “gifts of a lifetime” while they reduce or eliminate estate tax that may otherwise be due. Some points to remember:

- Charitable bequests can be made with cash, securities, real estate, other property.
- Charitable bequests may be stated in terms of a percentage of the entire estate.
- A bequest can be made from what remains after all bequests to family and others have been satisfied.
- Gifts in memory of loved ones be included in wills and can contribute to the benefit of future generations.

Changing Times May Require Changes In Plans

Whether you know it or not, your will may have changed. Besides changes in your life, federal or state estate tax law changes or the performance of the economy may make it necessary to revise even the most well-drafted plans.

Lawmakers have impact

Widely publicized gift and estate tax changes were announced in 1997 and more changes occurred in 2001. These measures affecting gift and estate planning provide ample reasons to review and revise your will or other estate plans. Don't assume you'll hear about every change in the laws that may affect your plans. Regular reviews of your will and other plans with your attorney are the best way to make sure your plans keep up with the times.

Inflation plays a role

A will drawn 10 or 15 years ago may include provisions suited to an estate much smaller than your present holdings. Many people are surprised at how much the value of their estates has grown due to inflation and investment gains. All forms of property can be affected: stocks, bonds, real estate, personal property, etc. Such an increase could boost your total estate above the threshold at which federal estate tax is levied. This could call for major revisions in your will and other estate plans. Estates can drop in value as well. A downturn in stock or real estate market performance, for example, can leave some people with fewer assets than when they originally made their plans.



Congratulations! But does it need to be *revised*? Ask yourself:

Is my executor still appropriate and willing to serve?

Yes No

Does my will still meet my family's needs, given any births, marriages, or deaths that have occurred?

Yes No

Does my will address the needs of my children or parents who would require care in my absence?

Yes No

Has my attorney reviewed my will in recent years so that my plans reflect current tax laws?

Yes No

Does my estate plan provide for my favorite charitable organizations?

Yes No

If you answered *No* to any questions, you may wish to review your plans and alter them to serve you as well as possible.

If You've Already Made Your Will...



Legacy Circle

The Legacy Circle recognizes and honors donors who have included the Cancer Center of Santa Barbara in their estate plans through planned gifts. Membership in the society is conferred upon those who have communicated to the Center their intention to make a gift through their will, living trust or other planned gift agreement. Please let us know if you have already remembered the Cancer Center in your plans so we can say “thank you”.

partial listing

Mr. & Mrs. Dean Brown
Mr. John L. Courtois*
Mr. Lloyd E. Cox, Jr.*
Mr. Wallace Drew*
Ms. Eva Harris*
Mr. Byron Haskin*
Ms. Yvonne Baker Heltman
Mrs. Gregorio Kogan
Mr. Otto Korntheuer
Ms. Mary Ann Kriebel
Mr. & Mrs. Robert Stanley MacLean*
Mrs. Jane Merovick
Mr. & Mrs. Joseph G. Noh*
Mr. Austin H. Peck, Jr.
Mr. & Mrs. Ed Rosenblatt
Mr. & Mrs. William Samson*
Mr. & Mrs. Daniel Sattler*
Mr. Rick Scott
Judge* & Mrs. C. Douglas Smith
Mr. Charles A. Storke*
Mr. Otis Williams*
Ms. Marie A. Wolford*

** deceased*

Cancer Center of Santa Barbara
300 West Pueblo Street
Santa Barbara, CA 93105

5. *Dislike for Legal Documents.*

One attorney said, “A will is probably the most important legal document the average person requires.” We owe it to those we love to carefully take every precaution necessary to provide for them. A well-prepared legal document is the only way to finalize the intentions of our heart for their welfare.

6. *Lack of Ability to Plan for the Future.*

Many people feel inadequate and unable to intelligently plan for the future. The very process of thinking through their property and what to do with it helps people evaluate their possessions and conserve and distribute them with greater understanding. It has been said that a person will work more than 40 years to accumulate assets and ten years conserving what has been accumulated, but will not take two hours to plan for its distribution.

7. *Reluctance to Place Confidence in Others.*

Many family legal needs—including simple wills—can be handled by almost any attorney. But there are specialists who work almost exclusively in estate planning and distribution. With each passing year, larger estates become more difficult to manage. Recent tax reforms alone take a tax expert to interpret. Deciding who can help and be trusted tends to delay a good many people.

8. *All Property is in Joint-Tenancy with Rights of Survivorship.*

Many people do have all their property in this kind of an arrangement as a substitute for a will. This form of property ownership is commonly used and recommended by legal counsel. However, most attorneys recommend the use of a will, as well. Minor children cannot have a guardian nominated, and no provision is made for what happens to property when the joint-tenants die simultaneously.

Whatever the reason people use to forfeit their privileges and obligations to plan the disposition of their resources for the benefit of loved ones, it is not adequate. The Cancer Center of Santa Barbara is pleased to offer *How to Make a Will That Works*. For a complimentary copy, please call **Art Merovick, Director of Development at 898-2196**.



Arthur Merovick
*Director of
Development*



Rick Scott
President



John Watts
*Gift Planning
Specialist*