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Reasons Not To Write Your Own Will

Do-it-yourself is cheaper, but you could do some things wrong. Maybe you have seen those will-in-a-box kits. Maybe you have even considered picking one up. Think twice about that. While you can draft a will on your own, there are plenty of reasons why you may not want to go that route. Most people do it to save money, but they may overlook or forget to take care of some important details – details that may eventually cost them much more than the amount they could save. Some of the big mistakes include…

1. Ignoring state law differences. Many will kits and online wills and trusts do not take state laws regarding the administration of probate or trusts into account. An estate planning attorney will inform you of these state laws; a will kit or website may not.

2. Blind faith in software. While software or an online form can help you draft a will, there is no guarantee that the technology will ask you the specific, unique questions an attorney might pose in regard to the fine points of your estate. It may not even make you aware of them.

3. Not revoking an earlier will. Most wills contain boilerplate language that automatically revokes any preceding will. If you are writing your will totally on your own (some people still do), you may not realize the necessity of such a clause.

4. Assumptions. If you will property to an heir, what happens if you outlive that heir? What if you will an asset to a friend or relative today, and that asset is gone when your will is executed someday? These are things to think about that most people writing a will have not considered. *(continued on page 2)*

Are Your Kids Delaying Your Retirement?

Some baby boomers are supporting their "boomerang" children. Are you providing some financial support to your adult children? Has that hurt your retirement prospects?

It seems that the wealthier you are, the greater your chances of lending a helping hand to your kids. Pew Research Center data compiled in late 2014 revealed that 38% of American parents had given financial assistance to their grown children in the past 12 months, including 73% of higher-income parents.[1]

The latest Bank of America/*USA Today* Better Money Habits Millennial Report shows that 22% of 30 to 34 year-olds get financial help from their moms and dads. Twenty percent of married or cohabiting millennials receive such help as well.[2]

Do these households feel burdened? According to the Pew survey, no: 89% of parents who had helped their grown children financially said it was emotionally rewarding to do so. Just 30% said it was stressful.[1]

Other surveys paint a different picture. Earlier this year, the financial research firm Hearts & Wallets presented a poll of 5,500 U.S. households headed by baby boomers. The major finding: boomers who were not supporting their adult children were nearly 2½ times more likely to be fully retired than their peers (52% versus 21%).[3]

In TD Ameritrade's 2015 Financial Disruptions Survey, 66% of Americans said their long-term saving and retirement plans had been disrupted by external circumstances; 24% cited "supporting others" as the reason. In addition, the Hearts & Wallets researchers told MarketWatch that boomers who lent financial assistance to their grown children were 25% more likely to report "heightened financial anxiety" than other boomers; 52% were ill at ease about assuming investment risk.[3,4]

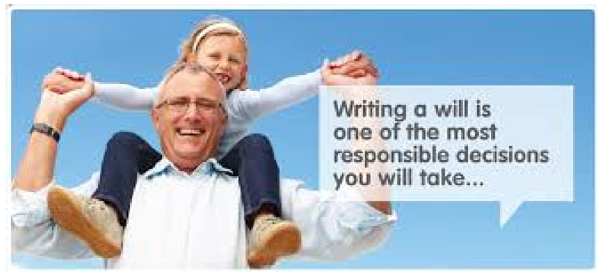
Economic factors pressure young adults to turn to the bank of mom and dad. Thirty or forty years ago, it was entirely possible in many areas of the U.S. for a young couple to buy a home, raise a couple of kids and save 5-10% percent of their incomes. For millennials, that is sheer fantasy. In fact, the savings rate for Americans younger than 35 now stands at -1.8%.[5] *(continued on page 2)*

Reasons Not To Write Your Own Will *(continued from page 1)*

5. Vagueness. Sometimes executors are not given sufficient power by the language of a will. Sometimes a home will be left to a spouse in trust, but with no one assigned to pay for upkeep of the home during the rest of that widow's lifetime. Alternate executors are sometimes omitted from wills, and names of non-profit groups can easily be misstated or misspelled, inviting complication and possible dispute of charitable intent.

6. Not getting it notarized. Regardless of how "official" your homemade will looks, it still requires witnessing and signing to be legally valid. There are many stories of people finding out that the will or living trust they paid money for is not actually binding as it has never been notarized.

Wills, trusts and estate plans should be crafted with the help of attorneys. Fortunately, many financial professionals have relationships with attorneys. Instead of searching the Internet or the Yellow Pages for a stranger, ask the financial advisor you consult for a referral.



Are Your Kids Delaying Your Retirement? *(continued from page 1)*

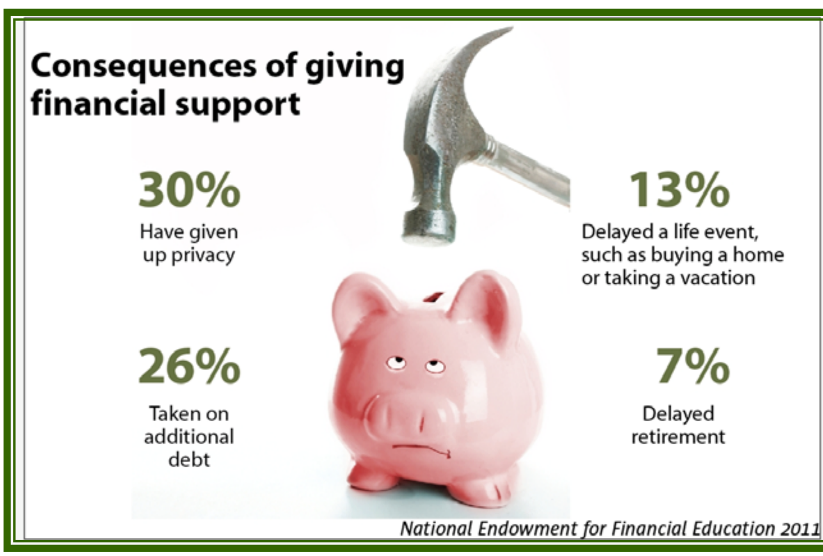
Housing costs are impossibly high; so are tuition costs. The jobs they accept frequently pay too little and lack the kind of employee benefits preceding generations could count on. The Bank of America/*USA Today* survey found that 20% of millennials carrying education debt had put off starting a family because of it; 20% had taken jobs for which they were overqualified. The average monthly student loan payment for a millennial was $201.[2]

Since 2007, the inflation-adjusted median wage for Americans aged 25-34 has declined in nearly every major industry (health care being the exception). Wage growth for younger workers is 60% of what it is for older workers. The real shocker, according to Federal Reserve Bank of San Francisco data: while overall U.S. wages rose 15% between 2007-14, wages for entry-level business and finance jobs only rose 2.6% in that period.[5,6]

It is wonderful to help, but not if it hurts your retirement. When a couple in their fifties or sixties assumes additional household expenses, the risk to their retirement savings increases. Additionally, their retirement vision risks being amended and compromised.

The bottom line is that a couple should not offer long-run financial help. That will not do a young college graduate any favors. Setting expectations is only reasonable: establishing a deadline when the support ends is another step toward instilling financial responsibility in your son or daughter. A contract, a rental agreement, an encouragement to find a place with a good friend – these are not harsh measures, just rational ones.

With no ground rules and the bank of Mom and Dad providing financial assistance without end, a "boomerang" son or daughter may stay in the bedroom or basement for years and a boomer couple may end up retiring years later than they previously imagined. Putting a foot down is not mean – younger and older adults face economic challenges alike, and couples in their fifties and sixties need to stand up for their retirement dreams.



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