



The Right Estate Plan for You

Most Americans don't have a will. Having a comprehensive plan can avoid probate and save on estate taxes. Do you need to start planning what happens to your estate when you die? It depends on your age, health, wealth and innate level of caution.

We've sorted our tips into broad categories of family situation and age. But keep in mind that age is an imprecise proxy for life expectancy, which is affected by all sorts of other factors — smoking, extreme sports and driving a motorcycle, for example. It's up to you to add or subtract a few years based on your health and lifestyle.

You're in Your Twenties or Thirties and Single

At your age, there's not much point in putting a lot of energy into estate planning. Unless your lifestyle is unusually risky or you have a serious illness, you're unlikely to die for a long, long time.

If you're a wealthy twenty- or thirty-something though, write a will. (Bricks can fall on anyone.) That way you can leave your possessions to any recipient you choose — your boyfriend/girlfriend, your favorite cause, the nephew who thinks you're cool. If you don't write a will, whatever you leave behind will probably go to your parents.

You can make your will with software like Quicken WillMaker, Power of Attorney or Health Care Directive.

You're Paired Up, But Not Married

If you have a life partner but no marriage certificate, a will is a must-have document. Without a will, state law will dictate where your property goes after your death, and your closest relatives will inherit everything. Another option to make sure that your partner isn't left out in the cold after your death is to own big-ticket items, such as houses and cars, together in "joint tenancy" with right of survivorship. Then, when one of you dies, the survivor will automatically own 100% of the property.

You Have Young Children

First and foremost, get yourself a will. A will allows you to leave your property to whomever you choose and, more importantly, names a guardian to care for your children. The guardian will take over if both you and the other parent are unavailable. If you fail to name a guardian, a court will appoint someone, possibly one of your parents.

If you do not have a will, some of your property may go not to your spouse, but directly to your children. The problem with this is that the surviving parent may need to get court permission to spend or invest the money.

Second, think about buying life insurance to replace your earnings, just in case. Term life insurance is relatively inexpensive, especially if you're young and don't smoke.

You're in Your Forties

This is the time when most people consider estate planning in earnest. Keep in mind that your assets and what you want to do with them may change in 10 or 20 years — be prepared to revisit and change your estate plan accordingly. First, create a will, and then consider some of these other planning options:

Revocable Living Trusts To save your family the cost (and hassles) of probate court proceedings after your death, think about creating a revocable living trust. It's hardly more trouble than writing a will, and lets everything go directly to your heirs after your death without taking a circuitous and expensive detour through probate court.

Payable-on-Death Accounts There are other, even easier ways to avoid probate for some types of accounts: You can turn any bank account into a "payable-on-death" account simply by signing a form (the bank will supply it) and naming someone to inherit whatever funds are in the account at your death. You can do the same thing, in almost every state, with securities and retirement accounts.

You're Over Fifty or Ill

Now is the time to take concrete steps to establish an estate plan. First, consider a probate-avoidance living trust and, if you're concerned about estate taxes, a tax-saving trust. Write a will, or update an old one. You should also need create documents called durable powers of attorney one for your financial matters and one for health care.





Coping with Major Life Changes

Major life changes such as getting a new boss or having a baby affect all aspects of your life. Whether positive or negative, change can be difficult to adjust to.

“All major changes involve a component of loss at their center,” says Cara DiMarco, Ph.D., a counselor in Oregon and author of *Moving Through Life Transitions with Power and Purpose*. “That loss might involve loss of a particular routine, loss of opportunities, loss of a sense of yourself or a loss of hope.”

As a result, most people going through major life transitions can expect to feel varying levels of anxiety, stress, confusion and possibly self-doubt. These feelings should not become persistent, however, but should decrease over time. If they don't ease and your ability to function in daily life becomes significantly impaired, you may need professional help.

The adjustment period typically is uncomfortable, but you can do things to make change easier on yourself.

Expect Disruption

In the vortex of change, many people expect to go on without missing a beat, as if the change were a minor inconvenience. But this attitude isn't realistic. “While it's essential that we're able to be productive in the midst of change, we also need to allow ourselves to not feel fully centered, to not feel absolutely on top of our game,” Dr. DiMarco says.

If you're starting a new job, for instance, and are used to performing at 95 percent, don't expect to be up to speed immediately.

Anticipate Change

Change is inevitable, so it's helpful to plan for it. “Being prepared allows you to have more options and be aware of potential obstacles,” Dr. DiMarco says.

If you have children in high school, for instance, you know they will soon leave home — and you'll have more time to yourself.

To establish several game plans for coping with empty-nest syndrome and making good use of your free time, sit down with someone — a career counselor, personal counselor or trusted friend — and use the person as a sounding board.

Focus on the Known

In the midst of change, “people tend to over-focus on the unknown,” Dr. DiMarco says. “This is only natural, because that's where most of their anxiety lies. But some things you just can't know until you're in the middle of the experience.”

To avoid needless worry and self-doubt about changes at hand, focus on the known elements that are present in the new situation.

Pinpoint Patterns

How do you move through change? What sorts of feelings and reactions tend to consistently recur? “These are the kinds of questions to ask yourself when your life is stable so you can develop your own personal tool kit of coping strategies when change ensues,” Dr. DiMarco says.

Look for Meaning

Change disrupts the continuity of life, but even the most difficult and traumatic changes can be useful. “You can learn from every experience,” Dr. DiMarco says. You might have never chosen that life-changing experience or the lesson it taught you about yourself or the world, but if you can find the meaning or valuable outcome behind it, that experience will become part of your internal world, rather than an external agent acting on you.

That mindset, Dr. DiMarco says, “increases your sense of personal control and power. By extracting something out of change, you can create a sense of mastery.”

