

# Expanding the Woman's Role in Estate Planning

## GAINING CONTROL AS A MORE ACTIVE PARTICIPANT

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Men and women often approach estate planning differently. Men usually focus more on financial issues – money and taxes. Women generally take a more compassionate approach, reflecting their customary nurturing role within the family. They are concerned about the care and protection of their children or grandchildren, and special assets that have particular sentimental value. This focus on softer issues is vital for the family, but is it really best for the woman herself? Women need to expand their role in the estate planning process for their own protection.

### **Become Actively Involved In Your Financial Affairs**

If you are married and your husband unexpectedly passed away, would you know the details of your family's finances? Women in this situation are often clueless regarding what they own and where it is. This adds enormous stress to an already difficult time in your life. It does not have to be that way.

Now is the time to get involved in your family's financial affairs. You do not have to become a financial expert or learn to interpret the *Wall Street Journal*. But you owe it to yourself to become comfortable with your finances.

Make sure that you know exactly what you own and exactly what you owe. Gain as much understanding as possible about every part of your finances. Knowledge is a powerful thing. It can make a significant difference in your financial survival if someday you find yourself on your own. The more you know now, the less you have to learn later.

### **Get Organized!**

Getting organized is the most frustrating part of estate planning. Organization is the first step to understanding your family's financial affairs. It is one thing to know what you have. It is quite another to actually know where everything is!

Start by preparing a detailed personal financial statement. List all of your assets and liabilities. Include account numbers and other critical information. Keep it updated regularly. Your personal financial statement will at least serve as a checklist for further organization.

Next, be sure you know where all of your important documents are relating to each asset and liability. Locate your insurance policies, bank account and brokerage statements, deeds to your properties, mortgage and loan papers, and even your car titles. Put them together in an orderly fashion in a central location that you can easily find.



You and your spouse should both know where this information is and how it is organized. If you do not have a spouse, be sure that someone in your family knows where to find this information if something happens to you. You will make their lives easier and avoid a scavenger hunt for information.

### **Do Not Assume Anything**

Details can be frustrating, but so important. You need to title your assets to properly coordinate with your estate plan. Be sure that beneficiary designations are correct on life or disability insurance policies, and that you have made correct elections on retirement benefits. If you are unsure, get professional advice. Do not guess about anything.

Asset titling is the most important, but usually the most overlooked, aspect of every estate plan. Mistakes are common and can lead to disasters. You have to pay attention to details about properly titling your assets.

Look at this example. Sam and Sally were a typical retired couple, living comfortably and enjoying a financially stable life off of Sam's pension. Sally assumed that she would never have to worry about money because Sam had provided for them well. When Sam died, Sally was shocked to discover that Sam's pension terminated! He had elected a single-life annuity payout on his pension because it generated a higher monthly income during his life, but now it was too late to change. Sally had to fend for herself on social security benefits and the small nest egg that they accumulated over the years. Financial stability quickly became a financial catastrophe.

The moral of this story is clear. Women need to pay attention to the details before it is too late!

### **Be Sure You Have a Good Estate Plan in Place**

The word "plan," by its very nature, implies that you take action in advance. That means, "do it now!" Tomorrow may be too late. The best type of estate plan is the one that works the way you want. The worst type of estate plan is the one that you never got around to doing!

Simple is not always better. It depends upon your specific situation – what you have, your personal goals and the unique aspects of your particular family. Just because your neighbor did her own Will on "Quicken Family Lawyer" does not mean that you should make the same mistake.

A good estate plan carries out your particular wishes in the quickest, most cost effective manner. Be sure that your estate plan accurately gives what you have to whom you want in the way you want. It should also minimize the taxes and settlement costs that your estate will incur to maximize the amount left for you and your family. Most of all, your estate plan should reduce the burden and stress on your surviving loved ones to the greatest extent possible.

Use an attorney who specializes in estate planning. You would not send your severely sick child to just any doctor, or try to cure them yourself. Your financial and legal health should not be any different.

### **Keep Your Estate Plan Updated**

Did you know that, on average, most people who have an estate plan have not updated it for nearly 15 years? You change the oil in your car more often than that, at least if you want to keep it running properly!

One thing in life is certain – things will change. Your finances will change. Your family situation and personal goals will change. As long as we have a Congress and state legislatures, laws will constantly change – often so fast that it is even difficult for attorneys to keep up.

Once you get your estate plan in place, it is important to keep it updated regularly. That does not mean that you have to start over every year. At least have it reviewed occasionally – every year or two – to be sure it is up to date. If you need changes, make them. If not, then at least you can take comfort knowing that you are still in good legal shape.

### **Communicate Your Desires**

Communication is vital in estate planning. First, you need to communicate openly with your estate planning attorney so that he or she knows what is important to you and what you want to accomplish. Second, if you are married it is important to communicate openly with your spouse about your estate plan. While this may not be a good conversation topic during your Valentine's Day dinner, it is important that you make time to have a thorough, open discussion about your hopes, dreams, fears and concerns.

Communication enhances understanding, which reduces frustration and the possibility of mistakes. You should also communicate with those people who you select to help if you become mentally incompetent or pass away. This includes the person you select as your financial or health care agent, the executor of your Will, the trustee of your Trust or the guardian of your minor children.

You do not necessarily have to show them all of your estate planning documents and financial records. At least let them know you want them to help, and be sure they are willing to do so. Then, let them know where to find all of your important documents and information if something happens to you. Consider leaving them personal instructions about what you expect of them. You do not want to spring a surprise on someone after you are gone.

### **Get To Know Your Professional Advisors**

You should develop a team of professional advisors to assist you with your legal and financial affairs. Besides a good family attorney, you should establish a relationship with an accountant, a

financial advisor and an insurance professional. Each professional has his or her own area of expertise. They are there to serve you, and should work together for your best interests.

Women particularly should take a more active role in getting to know your family's professional advisors. It is important to have a good relationship with them so you trust them to advise you properly when needed. Set your expectations of them up front, and gain a mutual understanding of how and when you want to use them. Do not be afraid to ask questions. The only dumb questions are the ones you fail to ask!

Get comfortable with your professional advisors now because there will come a time when you need to rely on them for important advice and assistance. Do not count on the Yellow Pages to make critical decisions in a time of need.

### **Never Stop Learning**

Learning should be a lifetime process. As they say, "knowledge is power." No matter how much you know now, always strive to learn more. It is the only way to keep up with change.

Unfortunately, many areas of our society still view women as less informed and as easy targets for scams. Do not let that happen to you! Arm yourself with as much knowledge as possible so that you will have the ability to make informed decisions that are best for you. Take control of your own fate by enhancing your knowledge.

### **What About Second Marriages?**

If you are currently married, there is always a possibility that you may someday find yourself single once again because of divorce or the death of your spouse. Perhaps you are in that situation right now. Remarriage is always a possibility for which you need to plan.

"Blended families" are becoming increasingly common today, and they present unique estate planning challenges. Your "family" may become his, mine and ours. It could even include someone else's children. In these situations, good estate planning is even more crucial. Lack of planning can cause devastating results, even if not intended.

Premarital planning has a bad reputation in our country. Many people view it as a matter of distrust and thoroughly "unromantic" – something only Donald Trump would do! In fact, just the opposite is true. Good premarital planning can create better understanding between the new spouses, and avoid confrontation between members of the "blended" family later. It may not be as romantic as the wedding or the honeymoon, but is important to address the issue up front. After you remarry, it may be too late.

Be prepared. Do not leave things to chance. You may not like the results, and your family may dislike them even more.

## **The Same Applies If You Are Single, Too!**

If you are not currently married and never have been, these issues still have everything to do with you. Single women have family, friends and loved ones, too. Your hopes, dreams, fears and concerns are just as important as they are for married women. You owe it to yourself to review and address these points for your own benefit. Your loved ones will be glad you did.

The preceding pointers are only a sampling of the steps that women can take to gain greater control of their destiny. This does not mean that women should lessen the compassionate and nurturing qualities that they bring to the family's estate planning process. You should expand your role, not lessen it. You owe it to yourself to gain a greater understanding of the issues that society has traditionally viewed as the man's domain. You will achieve greater peace of mind as a result.

Be proactive in your planning. It will save you money in the long run and will greatly reduce your level of stress. After all, peace of mind is a wonderful feeling!

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