

# 4 Estate Planning Mistakes and How to Avoid Them

A 2021 study done by Caring.com estimated that more than two-thirds of Americans (68%) do not have a will. The problem tends to fall into four themes:

**1. Failing to plan.** Individuals need to make thoughtful plans for their assets after their lifetimes and prepare for the possibility of incapacity (see mistake #4). This is especially important for those with large estates, minor and/or special needs children, real estate in multiple states or business interests.

**2. Failing to coordinate beneficiary designations.** Assets, such as life insurance or retirement plans, pass outside of an individual's will via a beneficiary designation.

**3. Failing to review asset titles.** Asset titling refers to the way in which you own an asset—including in your individual name, jointly with someone else or in a trust or other entity. Assets titled in joint tenancy pass outside an individual's will and to the surviving joint tenant.

For example: A person's will might indicate that everything goes to the children equally, but if a bank account is held in joint tenancy with just one child, it would pass only to that child. The result is that the children receive unequal shares when the intention was to divide all assets equally.

**4. Failing to plan for disability or medical emergency.** According to the Alzheimer's Association, 6.2 million Americans 65 and older are living with Alzheimer's disease. Older generations (as well as all competent adults) need to prepare for incapacity and create



lasting powers of attorney and advance directives or living wills.

If you are among the majority of Americans who haven't yet started the estate planning process, now is the time. Your family members and heirs will be glad you did.

Why do these types of mistakes happen?

There are many reasons people may make these mistakes. Most often is that the individual:

- Doesn't think they have a large enough estate.
- Doesn't like to think about incapacity or death.
- Didn't set aside time.
- Doesn't know how to start the process and/or doesn't have an estate planning attorney.

You can also use this opportunity to add a charitable component in your estate plan. We would be happy to



talk to you about how your gift will make a difference to the mission of the Diocese of Austin or one of its many ministries! Contact Dan Wierzbowski at 512-949-2496 or dan-wierzbowski@austindioces.org for more information.

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