Five Reasons Baby Boomers Need To Review Estate Plans (And It's Not About Taxes)

This is a guest post by Kaycee Krysty, president emerita of Laird Norton Tyee, a Seattle-based wealth management firm. Kaycee spearheads the firm’s ReGenU effort focused on helping clients plan for life’s transitions. She is working on a book and speaks and blogs about life’s transitions and investing in human capital.

Conventional wisdom has it that baby boomers are about to receive one of the largest waves of inheritance in history. But in a recent speech, “Capacity for Care: Today, Yesterday and Tomorrow,” Paul G. Schervish, Boston College professor and renowned researcher on wealth and philanthropy in America, made a startling pronouncement: Boomers will give away much more than they receive.

That’s a call to action to review our estate plans. Wills, trusts and other documents put in place years ago may no longer reflect who you are, what you care about or what you have today. With so much at stake, being intentional about who gets what is more important than ever. It’s not about our parent’s generation anymore. It’s about us.

In fact, Schervish’s remarks really hit home for me. Just before our recent trip to Hawaii, my husband Michael and I suddenly discovered that although we had talked about changes in our plan, we had never gotten around to communicating them to our attorney. Yikes! We found in our file notes about possible changes and marked up old documents, but no new ones. You can bet that this resulted in a flurry of activity before we got on a jet to fly over the ocean.

As I looked over those changes I was struck by how different our thinking is now, in our late 50s and early 60s, than it was the last time we tackled these issues.
In midlife planning tends to be mainly about making sure your affairs are in order and leaving enough for those left behind. If you have kids, their needs are front and center. Now, as boomers enter into transition, new perspectives and different priorities emerge. Today, it’s more about you, your security, and your legacy.

Here are five things Michael and I noticed as we completed the exercise with our attorney. Perhaps some of them will fit for you.

1. **Relationships change.** Perhaps you left money to people or gave them responsibilities that no longer make sense. Say your connection with these people isn’t what it used to be. Or maybe they no longer need your help. That is an important reason to change your plans. Do you have the right people in place?

2. **Kids grow up.** You may find that your old documents are laced with protective measures for children who were still minors. Now that they are young adults, you know a lot about their character. With luck, they are fully launched in their own lives and careers, or close to it. Are those protective devices still required?

3. **You know a lot more about your health.** For better or worse, as we age our physical future becomes more apparent. In addition, medical science has greatly advanced in its predictive ability. You might have more information than you had 10 years ago to consider the future—and it’s not just death to be thinking about. Have you made provisions for a time when you may not be able to think for yourself?

4. **You have more, less or different stuff.** Personal property, as attorneys like to call it, tends to accumulate. You might be surprised at the sentimental value your family members place on some of your belongings. It is still true that families go to war just as often about Aunt Millie’s teapot as they do about money. You can avoid that by making some simple decisions and putting them in writing. Decide who gets what.

5. **You are thinking about your legacy.** The reality is that in order to leave a legacy you need to live it, and that could mean using some of your financial resources now. The older you are the more financially feasible it becomes to give things away during your lifetime, whether it’s to charity or to the people you care about. At 50 you were holding on for dear life to be sure you have plenty for retirement. At 70 those concerns change. Should you consider making some lifetime gifts, rather than waiting until the end?

Even if none of these issues fit your situation, you still may want to change something. Estate planning is a discipline where the state of the art changes constantly. There are new tools and techniques available; you may actually be able to simplify your plan. Our will was several pages shorter this time around—always a good thing in my book.

As stressful as this subject can be, Schervish leaves us with a comforting thought. What he calls the “post-boomers”—ages 28 to 45—are in better shape financially than we might think. Adjusted for inflation they have a greater level of wealth than boomers did at the same age. He also notes that they may be more financially careful since “they envision a longer lifespan and have faced the forces of financial insecurity since the 1999 recession, the bursting of the tech bubble in 2000, and the attacks and aftermath of 2001.”
The bottom line for boomers? Take care of yourself. Think about your legacy. The kids will be all right.

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