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Planning for the Unthinkable

Most 18-year-olds don't have a will. Here's why they probably should.

By DAISY MAXEY

Here's something most teens overlook as they get ready to head off for college: a last will and testament.

That's the last thing, of course, any parent wants to think about. But some experts say a will should be drawn up as soon as a child turns 18, the age at which someone typically can enter into a legal contract.

Peter Bielagus, a former financial adviser who gives speeches to young people about managing their money, often tells his listeners to create a will simply because it starts them off on the right foot. Drafting a will gets young people thinking about what happens in the future—after they get married and have children—as well as about what they own and how much it's worth, Mr. Bielagus says.

"It puts you in the mind-set of someone who's going to have a successful financial life," says Mr. Bielagus, who lives in Bedford, N.H.

There are more practical reasons, as well. Young adults often have money, possessions or families to protect. They may have a job that pays well. Or a grandparent may pass away, leaving them with a trust, says **Carol Pepper**, chief executive at **Pepper International**, a New York-based money-management company that works for wealthy investors. People leave all kinds of things to their children or grandchildren. If young adults want to direct where these possessions will go if they die, she says, "it's important to have a will."

If a person dies without one, state law determines how the assets will be distributed. That will mean less money and more stress for the heirs—an unpleasant prospect for family members already dealing with the tragic death of a young person.

It can also lead to long delays. If a sibling were to die in an accident along with both parents, and that sibling had no will, a surviving brother or sister is likely to be designated as the heir. But the inheritance and insurance money could be tied up in the courts for a long time because of "that huge missing link," Mr. Bielagus says.

For obvious reasons, anybody entering the military is encouraged to have a will. Even young people without a lot of money should consider a will, experts say. Meaningful possessions could include a dog or a favorite compact-disc collection, says Patrick Munro, a financial planner with NorthStar Financial Advisors in Wilmington, N.C.



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"If something happens to you, what's going to happen to that animal?" Mr. Munro says. "Is it going to go to a shelter or perhaps be euthanized?"

Wills can be created inexpensively with attorneys or by using Internet resources or books with form letters. "You can get a will done for \$200 if your estate is rather simple," Mr. Bielagus says.

It's also important for wills created for young adults to be updated periodically to reflect new assets and additions to their families.

Teenagers often have spouses or children. In most states, if one spouse dies without a will, the property will go to the surviving spouse, says Melody Breeden, an attorney in Myrtle Beach, S.C. But in South Carolina, half of the property goes to the surviving owner and half goes to the children, even if they are minors. Children under 18 must go to court and get conservatorship in order to hold property, Ms. Breeden says. Then, if the surviving spouse ever wants to refinance or sell the house, the court has to give its approval on behalf of the minor.

T. Randolph Harris, an estate-planning attorney with McLaughlin & Stern LLP In New York, says it's important that parents of any age have a will to state who will be their child's guardian if they pass away.

And in some states, if a person of any age is married with no children and dies without a will, their wealth will be split between the parents and spouse, Mr. Harris says. "That's a case where a young person who's married would want to make sure his things go where he wants them to," he adds.

Regardless of a young person's own family situation, a will may also be drawn up to keep an extended family's estate planning intact. Tina Albright, a New York-based private-client lawyer with Kozusko Harris Vetter Wareh LLP who works with ultra-high-net-worth families, recently created a will for two brothers—one 19 years old and in college, the other in his mid-20s and

working. The will was written so that money the brothers had received from their parents wouldn't revert back to the parents' estate if something were to happen to the brothers.

If that were to happen, Ms. Albright says, "You've just defeated the estate planning the parents have done."

Broaching the subject of a will is not as difficult as some parents think. Young adults are generally excited about anything that solidifies their recent adulthood, so parents can bury the topic of wills among other financial tasks, says Mr. Bielagus, the financial adviser. He recommends telling the child: "We're going to open a bank account in your name, meet with a stockbroker or financial adviser, and meet with an attorney and write a will." He says, "It's playing to the idea of being an adult."

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