

## Estate Planning: An Introduction to your Legacy

If the controversy over Terri Schiavo showed us anything, it's that estate planning is more important now than ever before. Regardless of personal opinions, in the end, it was Terri who really mattered. And it is your choices and beliefs that matter when it comes to your own decisions. A Gallup Survey released in June of 2005, showed that 60 percent of Americans don't have living wills.

So how can you ensure that your legacy will be remembered for your entire life and not your final hours or days? The best way to be ready for major life and death decisions is to properly plan your estate. This means an all-encompassing look at the decisions to be made, who makes them, and who gets what. There are generally four major documents you need to prepare so that your estate is in order.

The first is the financial power of attorney.

A financial power of attorney is one of the most important steps in estate planning. Whoever you name as your financial power of attorney makes all of your financial decisions. By specifically picking someone to make those decisions, you help eliminate controversy and stress. You also avoid the costly and lengthy legal process of the court making your decisions.

A will is the central part of your estate plan. Your will simply states who will receive various parts of your estate, including savings, homes, and other assets. By specifically laying out each asset and what person or charity it will be distributed to, you make your wishes clear. Although you won't avoid probate, a will may help reduce much of the court and the government involvement in your estate.

Aside from a will, there is another powerful tool that involves medical decisions while you're still alive, but possibly incapacitated. This is called a living will.

A living will is one of the most crucial documents in terms of medical decisions. Simply stated, a living will spells out what specific medical treatments you do or do not want in the case of a medical emergency that leaves you unable to make medical decisions. Major medical choices, such as whether or not to resuscitate, or whether or not to be put on artificial respiration can be decided within the living will. But a living will is only half of the medical documents you should prepare within your estate planning. The other is a medical power of attorney.

A medical power of attorney is a decision to appoint someone to make medical decisions if you cannot. If you don't have a medical power of attorney (also known as a health care proxy), the decision automatically goes to your spouse. If you are unmarried, then it goes to adult children or parents. By specifically designating someone to make the decisions, you make it clear who you want in charge, and what you want done if the worst happens. While these situations are never easy, by making it obvious who you want to make decisions and what decisions you want them to make, your wishes are clear and it eliminates the opportunity for someone else to claim otherwise.

These are simply the four basic documents you'll need when planning for your estate. There are many details to each document, and many details regarding your overall estate, including taxes. It's usually best to find a financial professional and qualified estate planner to give you advice. By being prepared and educated, and working with a financial professional, you can make sure that your wishes are known. Most importantly, you can ensure that the legacy that lives on in your name is the one that you choose.

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### About the Author

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