

# The Wealth Advisor

*A monthly newsletter for our valued clients*

## Estate Plans for College Students and Other Young Adults

### *Why It's the Perfect Time to Set Your Kids Up for Success*

As spring break swiftly approaches, the parents of young adults experience a mixed bag of emotions.

It can be exciting to see your children branching out and becoming successful adults in their own right — a time full of hard work and self-discovery that hopefully lays the groundwork for a fulfilling career in the coming years.

But, it can also be a time of anxiety for some parents. We all want to know that we are doing absolutely everything we can to make sure our kids stay safe, healthy, and secure so they can pursue their dreams to the fullest.

### **Preparing for legal adulthood**

Whether your child is just turning the corner on their senior year of highschool or they're already in the midst of their undergraduate studies, their 18th birthday undoubtedly marks the transition to adulthood when it comes to their legal affairs. This can impact you as their parent in a few distinct ways:

- **Medical decisions:** When your children become legal adults, you no longer have the authority to know their medical details or make healthcare decisions on their behalf. Without proper legal documents in place, you may need to petition a court to be named as guardian or conservator — a time consuming, expensive, and

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distracting process.

- **Probate:** Many young people own cars, have a checking or savings account, and have life insurance — assets that could end up in a probate court if inadequate planning, like only using the beneficiary form at the insurance company, is done. A basic trust may be all that's necessary now for your children's estates. Some people are concerned about planning "too early." But, since revocable trusts can be updated as your child's circumstances change, there's never really a time that's too early. By working with your children now, you'll instill a great habit of being proactive when it comes to legal affairs while providing protection for your family along the way.

### A simple way forward

Turning 18 isn't just an opportunity to be able to vote or serve in the military. It's also the first time individuals need to come in and have a conversation about estate planning.

As a parent, it's an opportunity to help your child enter the world of adulthood and maturity. It also presents a unique opportunity for families to work together toward a common goal and can serve as a bond-strengthening experience for parents and children alike.

Here are some of the preliminary documents we can use to lay the foundation of your children's estate plans:

- **Asset inventory:** Asset inventories are a great way to get the ball rolling for those brand new to estate planning. Include assets like insurance policies, valuable or meaningful personal property or heirlooms, savings accounts, real estate, investments, and retirement plans.
- **Basic will:** Wills contain instructions for the management and distribution of assets after death. However, since wills must go through probate, they are usually not a great planning tool for most people.
- **Living will:** This document records the individual's wishes in the event of terminal incapacity.
- **Revocable trust:** A revocable living trust is a great way to keep an individual's assets out of reach from potential court interference. And since they are revocable, these trusts can be altered as often as necessary throughout the course of one's life.

- **Financial power of attorney:** A financial power of attorney is the document used to appoint a person to handle the individual's financial affairs.
- **Healthcare power of attorney:** This type of power of attorney covers medical decision-making that could impact an individual's health and lifestyle if they become unable to make those decisions themselves due to mental or physical impairment. In concert with a revocable trust, a financial power of attorney and healthcare power of attorney can provide a powerful plan for incapacity that sometimes strikes younger people (like the well-known case of Terri Schiavo, who became legally incapacitated in her late 20s).

### **Now is the right time to act**

Estate planning for young adults doesn't need to be prohibitively expensive or time-consuming. Work with us to build a comprehensive plan so you and your children can get back to the business of being in such an exciting part of life.

Whether your children are returning from spring break trips or getting ready for graduation in a few months time, now is a great opportunity to give us a call today to discuss how we can work together to keep your children and family fully protected, no matter what life brings their way.

*This newsletter is for informational purposes only and is not intended to be construed as written advice about a Federal tax matter. Readers should consult with their own professional advisors to evaluate or pursue tax, accounting, financial, or legal planning strategies.*

You have received this newsletter because I believe you will find its content valuable. Please feel free to [Contact Me](#) if you have any questions about this or any matters relating to estate planning.

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