

Three Myths Women Have About Estate Planning

In this modern era, traditional gender roles are fading fast. Gone are the days of Donna Reed and June Cleaver. However, gender still makes a difference. One of these ways is estate planning. But, why? Women continue to live longer than men do. In fact, according to MsMoney.com 75% of women will become widows at some point in their life. A woman is an average 56 years of age when she is widowed.

It may not be fair, but women are the ones affected by poor planning because, statistically, women live longer—an average of 6.7 years longer. There are several myths women hold about estate and retirement planning:

Myth #1 - *I'm not old enough to worry about it, yet.*

Planning is important at any age. You are not just planning for what happens to your assets at your death, but also who will take care of things if you become incapacitated. Furthermore, while you are young and your children are still minors, it is important to select guardians to raise them if something happens to you.

Financially, if you start saving early, it will be much easier to have a comfortable retirement. And remember, on average, women are only 56 years old when they become widows. So, your husband may not be around when it comes time for retirement.

Myth #2 - *My estate isn't big enough to worry about estate taxes.*

Maybe it isn't today, but it may be by the year you die. The amount you can pass free from estate taxation under current law goes down in 2011 to \$1 million. Meanwhile, the average person's assets continue to grow. For example, over the long run, a broad measure of large U.S. stocks, the S&P 500 index, has increased on average 10.4% annually since 1926. That means it doubles approximately every seven years. So, if you have over \$500,000 today and you expect to live more than seven years, you'd have a taxable estate! By starting early and planning, you can minimize estate taxes.

Myth #3 - *If I hold property by joint tenancy, I do not have to worry about estate planning.*

Joint tenancy can be a simple way to avoid probate and having to re-title assets upon the death of one spouse. However, joint tenancy passes all the dead spouse's assets to the surviving spouse, increasing their estate even more and compounding their estate tax problems. Further, joint tenancy is not a solution to the problems of incapacity.

Women live longer than men and are likely to survive their husbands, having to pick up the pieces after their husbands' deaths. This is why, despite the many myths out there, estate and retirement planning is critical for women.

Estate and retirement planning can be a complex puzzle. A qualified estate and retirement planning attorney can help you put all the pieces together. With a well-planned estate and retirement, you can rest easier. Your future will be secure. You will have laid the foundation for a great life. You will have guarded against incapacity and the death of your spouse or partner. And, finally, you will have gotten your children off on the right path. It's amazing what a little bit of planning can do!