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Estate Planning for Your Family

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You are starting a family. Most young people don't think about, talk about, or realize what *Estate Planning* is or how it's done and why it could be important to them. **Estate Planning** is usually thought as managing financial matters and financial assets. Most people don't associate young people with owning or managing financial assets, but a very interesting and possibly very important financial asset available at a very low cost to young people is life insurance. A young man and a young woman met, become in love with each other, and get married. They work together, begin to acquire assets and plan for a family. This is the ideal situation. There are many less ideal structured situations, but all young new parents regardless of marital status can benefit from this analogy.

Estate Planning

A young family or a single parent face crushing day to day survival needs like housing, food, clothing and a care provider. The individual parent themselves and their extended families start the process for raising a child. Parents focus on providing the day to day needs and rarely raise the question of who or what could provide this new young child with protection from poverty, resources for housing, medical expenses, and a good education? This is where some facts about *Estate Planning* can be helpful and important. Life insurance for a young person is very cheap. If a 30 year old parent of a young child dies there will be a necessary cost for replacing the income and services the deceased parent provided. This cost is great in two parent households, but even more devastating in the single parent household where the sole provider dies. A rather low cost 20 year term guaranteed life insurance policy would pay a death payment of \$1,000,000 free of taxes to the child's benefit. That could be paid into a trust created in a will prepared by the deceased parent naming a trustee to collect, hold, and manage with specific mandatory or discretionary provisions such as provide, support, medical attention, health needs, etc. The insurance premium cost to purchase and maintain the 20 year insurance policy, for a 30 year old parent, could cost as low as \$37.19 per month. Wouldn't this be a good idea? A cost effective way to start your estate planning.

(Term 4 Sale. Comp. Health Analyzer. Term Life Insurance ComparisonsTerm4Sale, Inc., 2012. Print.)