



## **Eight Steps of Estate Planning**

Think of estate planning as an ongoing, logical process. Planners will tell you that there are eight essential steps.

### **1. Make a list of the assets that you own.**

You must determine not only [what you own](#), but how it is owned – in your own name, your spouse's name, or jointly with right of survivorship. Be sure to include checking accounts, vacation homes, brokerage accounts, and personal property. Take copies of these records with you when you visit your attorney.

### **2. Make a list of your estate planning goals and objectives.**

Determine your [planning goals](#) for yourself and your family. Consider the needs of your spouse, your children, your parents, and others who are dependent upon you for care. List your personal goals, such as providing for healthcare, retirement care, or even vacation travel. And finally, remember your philanthropic goals. Consider how you will pass on philanthropic values, or support those charities you have supported during your life.

### **3. Quantify the costs of reaching your goals and objectives.**

Sometimes it is difficult to place a dollar value on a particular goal. In these cases, you may need to see a financial planner for help in developing those figures.

### **4. Go to your estate planning attorney to draft a will.**

Take the lists of your [assets](#) and [goals](#) with you. Let your goals guide the process of developing the will. Make a list of all the “tough decisions” you need to make – either alone or with the help of your spouse or other loved one. Who will serve as executor of your will? Who will serve as guardian in the event that something happens to you while your children are still minors? Which children need trusts? Who will serve as trustee of those trusts? Once decisions are made, ask your planner for help in incorporating them into your estate plan.

### **5. Give a family member or friend a durable power of attorney.**

Everyone with assets – regardless of age – needs a durable power of attorney. A durable power of attorney is a document given to a close family member or friend that allows them to conduct business in your name in the event that you are disabled, injured or incapacitated. You may give your attorney-in-fact full authority to act for you in all circumstances, or you may limit the authority he or she has to act only in certain situations, only with respect to certain assets, or only for a limited period of time.

### **6. Consider a living will.**

A living will is a document that instructs health care providers to withdraw or withhold artificial life support under certain conditions in accordance with your wishes. In most states, you must have a terminal condition before a living will becomes effective.

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### **7. Execute an Advance Directive For Health Care.**

An advance directive for health care allows you to name an individual to make health care decisions for you. It is a much broader and more flexible document than the living will. The advance directive for health care allows you to specify what types of medical treatment you want (or do not want), and can give your attorney-in-fact the broad discretion to make these decisions for you as he or she believes best.

### **8. Review your estate plan on a regular basis.**

Estate plans are written to reflect the laws in place at the time of the writing, and your personal goals and objectives at the time of the writing. Things change. Tax laws may change offering new opportunities to defer or avoid tax, or your family structure may change. Review your estate plan at least every three to five years.

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