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To Decide or Not to Decide: Making Estate Planning Decisions

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“When you get to the fork in the road, take it!” Yogi Berra.

Introduction

Avoiding tough decisions can be hazardous to your future. Studies show that we regret *the failure to act* more than any other kind of mistake.¹ That means failing to make an estate plan should be even more embarrassing than that time in law school when I showed up exactly one week early for a reception at the Dean’s house.

People avoid regret by getting the important decisions right. They see decisions as opportunities. “Ultimately, making decisions and taking a stand are ways of forming and establishing an identity. Whenever you make statements about yourself, you define yourself for you and others.”² Few decisions define people more than determining the legacy they want to leave behind. True, making important decisions requires effort, but it probably takes less time and energy than most people put into picking a vacation spot or choosing a new cell phone.

Despite the opportunities, many still put off estate planning. Since taking the estate planning fork in the road is so important, the following ideas are intended to help overcome some of the obstacles.

Keep Decisions Tentative

Many estate planning decisions can be changed in the future. An imperfect plan is far better than no plan at all. When circumstances allow for the plan to be improved, then that is the time to update the plan. Planning for updates means that your decisions are not final, which makes them easier.

One Step at a Time

People often have trouble making estate planning decisions because the process involves a series of interrelated decisions, and they feel they have to make them all at once. But successful decision making is a process. In other words, the point is not “decide now,” but “start now” by taking it one step at a time. The following are the main steps to be taken in estate planning and most other decision making:

- Step One: Identify the decisions to be made;
- Step Two: Review values and goals;
- Step Three: Identify options and learn about them;

- Step Four: Evaluate the options;
Step Five: Select the options that best meet your values and goals;
Step Six: Implement your decisions.

After reviewing these steps, determine where you are in the process and focus on doing what is necessary to take the next step.

Set a Target Date

Clients sometimes say that had set a goal to do their estate planning last year, or the year before, but that it did not get done. The trouble was they had no target dates. For example, they could say, by June 30 we are going to start preparing our estate plan and by September 30 we are going to finish it. Such target dates may be all the motivation that is necessary to take the first step.

Think Objectively

Clients often have trouble making decisions that dredge up conflicting emotions, usually rooted in the distant past. For example, childhood teasing may have led to sibling rivalries which now makes distribution of the estate emotionally laden. One way to reduce the emotional element of the decision is to think objectively. Transfer the decision to someone else by asking, "If my neighbor or co-worker were making a similar decision, what should they do?" Such objective thinking may prevent subjective emotions from blocking decisions.

Use a Professional Trustee

When choosing a successor trustee responsible for assets after death, it may be difficult to find the individual who is trusted, experienced at managing money and a good record keeper. Designating a corporate trustee or private fiduciary may be the way to overcome this obstacle. Many banks and other financial institutions have trust departments that specialize in acting as corporate trustees of trusts. While they do charge a fee for their services, they are often cost-effective. After all, a corporate trustee may be much less expensive than the mistakes of an inexperienced family member.

Get Away For the Weekend

It can difficult to focus on important long term decisions when decisions of the moment continuously demand our attention. A weekend vacation that combines R&R with time for quiet reflection can be the ideal environment for making estate planning decisions.

Conclusion

Avoiding decisions lets others determine how you will be remembered. Instead, define yourself by your decisions. Start now to prepare or update your estate plan by

taking one step at a time, and overcoming obstacles to your decisions. If you follow the suggestions in this article to create or update your estate plan, you will not regret it.

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End Notes:

¹ T. Gilovich and V. H. Medvec, "The Experience of Regret: What, Why, and When." *Psychological Review* (April 1995), pp. 379-395.

² Rutgers University Career Services, "Make a Decision." Website: careerservices.rutgers.edu/OCAmakedecision.html, April 12, 2007.