BANCROFT

A BEGINNER'S GUIDE

Estate Planning 101

What estate planning actually is, why it matters for everyone (not just the wealthy), the documents you need, and what to expect from the process. A straightforward introduction for anyone getting started.

ABOUT THIS GUIDE

This guide is provided for informational and educational purposes only. It does not constitute legal, tax, or financial advice. Estate planning involves state-specific laws and individual circumstances that require professional guidance. Consult with a financial advisor and estate attorney before making decisions about your estate plan.

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What Estate Planning Actually Is

Estate planning is the process of deciding, in advance, what happens to your money, your property, and your family if something happens to you. That "something" is usually one of two events: death or incapacity (the inability to make decisions for yourself due to illness, injury, or cognitive decline).

Estate planning answers these questions:

1. Who gets what? How should your assets be distributed, and to whom?
2. Who is in charge? Who manages your finances, makes medical decisions, and handles your affairs if you cannot?
3. Who raises your children? If you have minor children, who becomes their guardian?
4. How do you want to be cared for? What are your wishes regarding medical treatment, life support, and end-of-life care?

The answers to these questions are documented in a set of legal instruments. The instruments work together as a system. Each one has a specific purpose, and leaving any out creates a gap that someone else (usually a court) will fill for you.

Why It Matters (for Everyone)

Estate planning is not about wealth. It is about control, protection, and clarity. Here is who needs it and why:

56%	72%	$1.5M
OF AMERICAN ADULTS DO NOT HAVE A WILL OR ANY ESTATE PLANNING DOCUMENTS	OF PARENTS WITH MINOR CHILDREN HAVE NO GUARDIAN NAMED IN A LEGAL DOCUMENT	AVERAGE LIFETIME COST OF LONG-TERM CARE THAT INCAPACITY PLANNING HELPS ADDRESS

If you have children

Without a will that names a guardian, a court decides who raises your children. The judge will try to choose the best option, but they do not know your family. They do not know that your sister-in-law is better suited than your brother, or that you would never want your children placed with a specific relative. A single paragraph in a will prevents this.

If you own anything

A house, a car, a bank account, a retirement fund, a life insurance policy. These all need to go somewhere. Without a plan, they go through probate (a public court process that costs money, takes months, and is completely avoidable).

If you could become incapacitated

This applies to everyone. A car accident, a stroke, a diagnosis. If you cannot manage your own finances or communicate your medical wishes, someone needs legal authority to step in. Without a power of attorney, your family may need to petition a court for guardianship or conservatorship. That process is expensive, slow, and public.

If you want privacy

A will goes through probate, which is a public proceeding. Anyone can look up what you owned and who received it. A trust, by contrast, is private. Assets held in a trust transfer to beneficiaries without court involvement and without public disclosure.

> **The real cost of not planning.** Estate planning is not expensive. Not planning is expensive. Probate costs average 3-7% of the estate value. Guardianship proceedings can cost $5,000 to $15,000. Family disputes over an intestate estate can consume years and tens of thousands of dollars in legal fees. A complete estate plan costs a fraction of any of these outcomes.

The Five Documents Everyone Needs

Regardless of your age, your wealth, or the complexity of your situation, every adult should have these five documents. Together, they address what happens to your assets (documents 1 and 2) and what happens to you (documents 3, 4, and 5).

1. Last Will and Testament

WHAT IT DOES

A will directs how your assets are distributed after death. It names an executor (the person who manages the process), names guardians for minor children, and can include specific bequests (who gets the house, who gets the jewelry, who gets a cash amount).

WHAT IT DOES NOT DO

A will does not avoid probate. It does not address incapacity. It does not control assets with beneficiary designations (retirement accounts, life insurance) or assets held in joint tenancy. It only takes effect after death.

2. Revocable Living Trust

WHAT IT DOES

A trust is a legal container that holds your assets during your lifetime and distributes them after death, without probate. You create it, you control it, and you can change it at any time. When you die or become incapacitated, your successor trustee steps in and manages everything according to the instructions you wrote.

WHO NEEDS ONE

Not everyone needs a trust. But if you own real estate, want to avoid probate, have minor children who would inherit assets, want privacy, or own property in more than one state, a trust is almost always the right choice. Your financial advisor can help you decide.

3. Durable Financial Power of Attorney

WHAT IT DOES

This document names someone to manage your finances if you cannot. Pay your bills. Access your bank accounts. File your taxes. Manage your investments. Sell property if needed to pay for your care. Without it, no one has legal authority to touch your money, even your spouse (for accounts in your name alone).

4. Healthcare Power of Attorney

WHAT IT DOES

This document names someone to make medical decisions for you if you cannot communicate. Choose doctors. Consent to or refuse treatment. Decide on surgery, medication, and care facilities. This person should understand your values and be willing to advocate for what you would want, not what they would want.

5. Advance Directive (Living Will)

WHAT IT DOES

This document records your wishes about end-of-life care: life support, resuscitation, feeding tubes, ventilators, and pain management. It speaks for you when you cannot speak for yourself. It also relieves your family of the burden of guessing.

> **One more document you should know about: HIPAA Authorization.** Federal privacy law (HIPAA) prevents healthcare providers from sharing your medical information with anyone, including your family, unless you authorize it. A HIPAA authorization names the people who are allowed to access your records and talk to your doctors. Without one, your family may not be able to get basic information about your condition. Most estate plans include this as a standard document.

Will vs. Trust: A Plain-Language Comparison

This is the most common question people ask. The answer depends on your situation, but here is a straightforward comparison:

	WILL	REVOCABLE LIVING TRUST
Takes effect	Only after death	During your lifetime and after death
Avoids probate?	No. A will must go through probate.	Yes. Trust assets bypass probate entirely.
Public or private?	Public. Probate is a court proceeding.	Private. No court involvement.
Covers incapacity?	No. A will is only for death.	Yes. Your successor trustee manages assets if you are incapacitated.
Names a guardian?	Yes. This is the only way to name a guardian for minor children.	No. You still need a will for guardian nominations.
Cost to create	Lower	Higher (but often saves money by avoiding probate)
Ongoing maintenance	None (but should be reviewed periodically)	Assets must be "funded" into the trust (retitled in the trust's name)

	WILL	REVOCABLE LIVING TRUST
Best for	Simple estates, young adults, people with few assets	Homeowners, parents, anyone who wants to avoid probate or plan for incapacity

> **You usually need both.** Even if you create a trust, you still need a will (called a "pour-over will") to catch any assets that were not transferred into the trust during your lifetime. The pour-over will directs those assets into the trust after death. You also need a will to name guardians for minor children, because a trust cannot do that.

What Happens Without a Plan

If you die without a will or trust, the state decides what happens to your assets. This is called "intestacy," and the rules vary by state but follow a general pattern:

THE INTESTACY DEFAULT

1. If you are married with no children, your spouse typically receives everything.
2. If you are married with children, your spouse and children split the estate (the exact split varies by state). This may not match what you intended.
3. If you are unmarried with children, your children inherit everything in equal shares.
4. If you have no spouse, no children, and no will, assets pass to parents, then siblings, then extended family. If no relatives can be found, the state takes everything.

Probate without a plan

Without a trust (and often without a will), your estate goes through probate. Probate is a court-supervised process where a judge oversees the distribution of your assets. It is public, it takes 9 to 18 months on average, and it costs 3-7% of the estate value in legal and administrative fees. For a $500,000 estate, that is $15,000 to $35,000 in costs that proper planning would have avoided.

Guardianship without a plan

If you have minor children and both parents die without naming a guardian, a court holds a hearing to decide who will raise them. Family members may petition. The court may appoint someone you would not have chosen. The children may be placed in temporary foster care while the court decides. All of this is avoidable with a single paragraph in a will.

Incapacity without a plan

If you become incapacitated without a power of attorney, your family must petition a court for guardianship or conservatorship. This is a public proceeding where a judge grants someone authority over your person and your finances. It can cost $5,000 to $15,000, takes weeks to months, requires ongoing court reporting, and removes your autonomy entirely. A durable power of attorney prevents all of this.

Seven Myths That Keep People from Starting

"I'm too young."

If you have a bank account, a car, or a child, you are not too young. Incapacity can happen at any age. A 30-year-old in a car accident needs a power of attorney just as much as an 80-year-old with dementia. And if you have children, naming a guardian is urgent regardless of your age.

"I don't have enough money."

Estate planning is not about the size of your estate. It is about who makes decisions when you cannot. A $50,000 estate with a plan goes smoothly to the right person. A $50,000 estate without a plan goes through probate, costs thousands in fees, and may end up with someone you did not intend.

"My family will figure it out."

Families that "figure it out" without a plan often end up in court. Even loving families disagree about who should receive what, who should be in charge, and what the deceased would have wanted. The disagreements happen precisely because there is no written instruction.

"I already have beneficiaries on my accounts."

Beneficiary designations are important, but they are not an estate plan. They do not address incapacity, do not name a guardian, do not direct assets without a beneficiary designation (your house, your car, your personal property), and can be outdated or conflicting without regular review.

"I can do it myself online."

Online templates exist, and some are adequate for very simple situations. But estate planning is not just about filling out forms. It is about understanding how documents interact, how state laws affect your plan, and how your specific circumstances (blended family, business ownership, real estate in multiple states) create complexity that templates cannot address.

"It's too expensive."

A complete estate plan through a modern platform costs far less than traditional attorney-only planning. More importantly, it costs far less than the alternatives: probate, guardianship proceedings, or family litigation. The real expense is not planning.

"I'll get to it later."

This is the most common response and the most dangerous. Estate planning only works if it is in place before you need it. You cannot sign a power of attorney after a stroke. You cannot name a guardian from a hospital bed. The time to plan is when you do not need the plan.

What to Expect from the Process

Estate planning is not as complicated or as time-consuming as most people expect. Here is a typical timeline when working with a financial advisor and a modern document preparation platform:

Step 1: The conversation (30 minutes)

Your financial advisor asks about your family, your assets, and your wishes. Who depends on you? Who should be in charge if something happens? How do you want your assets distributed? This is a planning conversation, not a legal proceeding.

Step 2: Complete the intake questionnaire (30-60 minutes)

You answer a series of plain-language questions through the platform. Family information, asset details, beneficiary selections, agent designations, and distribution preferences. You can do this on your own time.

Step 3: Documents are generated (1-3 business days)

The platform generates your documents based on your answers. For standard plans, attorney oversight is built into the platform. For complex situations, documents are routed to a licensed attorney for individual review.

Step 4: Review and sign (30-60 minutes)

You review the documents with your advisor. Once everything looks correct, you sign them according to your state's requirements (witnesses, notary). A single signing session handles everything.

Step 5: Implementation (1-4 weeks)

Your advisor coordinates the follow-through: funding the trust (transferring assets into it), updating beneficiary designations, recording deeds. This is the step most people skip on their own. With an advisor, it gets done.

Step 6: Annual review (15 minutes per year)

Each year, you and your advisor check for changes: new assets, family events, outdated beneficiaries. This keeps the plan current without starting over.

> **Total time investment.** Most clients complete the entire process, from first conversation to signed documents, in two to four weeks. The actual time you spend answering questions and reviewing documents is roughly two to three hours total. The rest is handled by your advisor and the platform.

How Much It Costs

Estate planning costs vary widely depending on the method:

METHOD	TYPICAL COST	WHAT YOU GET
Online DIY templates	$100 - $300	Basic documents. No professional review. No implementation support. No ongoing maintenance.
Traditional attorney	$2,000 - $5,000+	Customized documents drafted and reviewed by an attorney. Typically no implementation support.
Advisor + platform (Bancroft model)	Included with advisory relationship	Attorney-reviewed, state-specific documents. Advisor-coordinated implementation. Annual review. Trust funding. Beneficiary management.

The cost of estate planning should be compared to the cost of not planning: probate (3-7% of estate), guardianship ($5,000-$15,000), and family litigation (tens of thousands). By almost any measure, planning is the less expensive option.

What to Do Next

If you have read this far, you understand why estate planning matters and what is involved. Here is how to take the first step:

1. Talk to your financial advisor. If you have one, ask them about estate planning at your next meeting. If you do not have one, this is a good reason to find one.
2. Gather basic information. You do not need a complete asset inventory yet, but knowing what you own, who depends on you, and who you trust to make decisions will make the first conversation productive.
3. Start with the five documents. Every adult needs a will (or trust), a financial power of attorney, a healthcare power of attorney, an advance directive, and a HIPAA authorization. These five documents address the most critical questions.
4. Do not wait for the perfect time. There is no perfect time. There is only before you need it and after you need it. Choose before.

> **One last thought.** Estate planning is an act of care. It is not about death or money. It is about making sure the people you love are protected, that your wishes are respected, and that no one has to guess what you would have wanted. The conversation takes 30 minutes. The peace of mind lasts a lifetime.
