

ESTATE PLANNING FOR YOUNG ADULTS – WHAT’S THE PITCH?

By Suzana Popovic-Montag and Mikayla Bobb

To those approaching retirement, estate planning seems like a no brainer. At this stage of life, individuals have a deep understanding of the assets they own and an idea of what they would like to happen to them after they pass. To a young adult, however, whose most significant assets may consist of an iPhone, computer and savings account with a couple thousand dollars, estate planning can seem like an expensive waste of time. As estate practitioners, how do we go about convincing young adults that it’s never too early to start the estate planning process?

The Choice is Yours

Young adulthood is a unique time. Up to this point in their lives, others have made their decisions for them – from what they eat for breakfast to the time that they go to sleep. Once they reach this new life stage, young adults are presented with an opportunity to think for themselves and make the decisions they want to make. They equate having choices with having control.

In *Psychology Today*, Susan Weinschenk discusses a study where participants were given casino chips and presented with the option to go to table 1, which had one roulette wheel, or table 2, which had 2 roulette wheels.¹ At table 1, participants did not have any choice - they were forced to play on that roulette wheel. At table 2, they had a choice between the two roulette wheels. Even though all the wheels were exactly the same, participants chose table 2, where it was their choice to pick between the two roulette wheels. Since they got to choose the wheel, they perceived they had more control on the end result, and thus were more satisfied with the outcome.

Ultimately, young adults need to understand that, without a will, they do not get to choose what happens to their assets. Wanting that computer to be passed over to a sibling? Or the money from the savings account to be given to the boyfriend? If they die intestate, their assets will be distributed according to Part II of the Succession Law Reform Act (the “SLRA”). As most young adults are unmarried without children, subsections 47(3) to (11) of the SLRA would apply. The rules can be summarized as follows:

1. If the Deceased has no spouse and no issue, the estate goes to the Deceased’s surviving parents, equally.
2. If there are no surviving parents, the estate goes to the Deceased’s siblings equally.
3. If there are no siblings, the estate goes to the Deceased’s nephews and nieces equally.
4. If there are no nephews or nieces, it goes to the next of kin of equal degree of consanguinity.
5. If there are no next of kin, the estate escheats to the Crown.

If their asset division plans differ from those set out in the SLRA, they will need to partake in estate planning.

Trust Experience

Entering into unfamiliar situations can be nerve wracking for anyone. This is especially true for young adults, who have a lot of novel scenarios to familiarize themselves with. Certain situations can leave them feeling unsure and uninformed. When it comes to estate planning, hiring an

estate lawyer can help to put their minds at ease. As an expert in the field, they can answer any questions and ensure all the right clauses are included in the will.

Young adults may not be aware that an estate plan deals with more than just the typical monetary assets. Have they frozen an egg, sperm or embryo? Would they want to grant permission for its use after they pass or would they want it disposed of? Who would be granted permission for its use? Do they have any current social media accounts? Should these accounts be shut down upon death, remain active or go into memorial mode? Do they have any cryptocurrency accounts? Are these passwords stored anywhere? Who will be granted access?

These are not obvious things to consider when planning an estate. A lawyer will be there to ensure these topics are addressed, plus many more. It adds confidence and security to the process – ensuring wishes will be properly conveyed and nothing will be forgotten.


The Future is Now

The estate planning process can be intimidating, overwhelming and time consuming – which is why so many people put it off as long as they can. Digging through financials, wracking the brain for beneficiary information and taking time off work to schedule multiple planning meetings can be a huge turnoff. Firms are beginning to recognize this and technology has been developed to try and address these issues.

Young adults may be drawn towards programs like the e-State Planner, an online estate-planning platform that makes the process easier for everyone. Clients are sent a link to an online questionnaire where they can fill out their family tree, asset and debt information at their own pace. It does not have to be finished in one sitting, and it takes the pressure off any forgotten information as it can simply be entered at a later time. This software also produces great graphic summaries, so clients can see a visual breakdown of the will and truly understand the division of their estate. Since the program is online, lawyers can use a screenshare program and the entire planning process can be done in

the comfort of one's own home. Perhaps we will even see a change in the law that will one day allow for electronic signatures to validate wills, and the entire estate planning process could be done remotely!

Conclusion

As estate practitioners, we can agree that it is never too early to start planning your estate. In order to effectively convey this message to young adults, it needs to be presented in a way that highlights the benefits and clarifies the importance of the process. No matter the monetary value, to ensure wishes are properly carried out, creating an estate plan is a smart move. 

¹<https://www.psychologytoday.com/us/blog/brainwise/2013/01/whyhaving-choices-makes-us-feel-powerful>



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