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Wills & Trusts: What's the Difference?

A Simple Guide to Estate Planning Basics

Understanding the fundamentals of estate planning doesn't have to be complicated. This guide is designed to help everyday families navigate the basics of wills and trusts — clearly, calmly, and with confidence.

Why Estate Planning Matters

Estate planning isn't just for the wealthy or the elderly. It's a thoughtful way to organize your wishes, protect the people you love, and make life easier for your family when it matters most. A solid plan brings clarity to important decisions — before they need to be made.

Organize Your Wishes

Put your intentions in writing so your family knows exactly what you want.

Protect Loved Ones

Ensure the people you care about are provided for and supported.

Plan for Property & Assets

Decide how your home, savings, and belongings should be handled.

Name Decision-Makers

Choose trusted people to manage financial or healthcare decisions if needed.

Ease the Burden on Family

A clear plan reduces stress and uncertainty for those you leave behind.

What Is a Will?

A **will** is a legal document that expresses how you want your assets and property distributed after your death. It's one of the most common and accessible estate planning tools available.

What a Will Can Do

- Name beneficiaries to receive your assets
- Appoint a guardian for minor children
- Designate an executor to carry out your wishes
- Specify how personal property should be distributed

Understanding Probate

When someone passes away with a will, their estate typically goes through a legal process called **probate**. A court reviews the will, confirms its validity, and oversees the distribution of assets.

Probate is a standard process — not something to fear — but it can involve time and costs that some families prefer to minimize through additional planning.

What Is a Trust?

A **trust** is a legal arrangement where one person (the **grantor**) places assets under the care of another person or institution (the **trustee**) to be managed for the benefit of specific people (the **beneficiaries**).

1

Grantor

The person who creates the trust and contributes assets to it.

2

Trustee

The person or institution responsible for managing the trust according to its terms.

3

Beneficiary

The person or people who benefit from the assets held in the trust.

Trusts offer flexibility in how and when assets are distributed. Some people use trusts to maintain control over assets during their lifetime, plan for incapacity, or provide for beneficiaries in specific ways. There are many types of trusts — each designed for different purposes and circumstances.

Will vs. Trust: A Simple Comparison

Both wills and trusts are valuable estate planning tools. Understanding how they differ can help you have more informed conversations with a professional.

Feature	Will	Trust
Purpose	Directs asset distribution after death	Manages and distributes assets during life and/or after death
Probate	Typically goes through probate court	May help avoid probate for assets held in the trust
Privacy	Becomes part of public court record	Generally remains private
Control of Assets	Takes effect only after death	Can provide control during lifetime and after death
Complexity	Relatively simple to create	More complex; requires ongoing management
Cost	Generally lower upfront cost	Higher upfront cost; may reduce costs later
Common Uses	Basic estate planning, naming guardians	Complex estates, privacy, incapacity planning

Not every trust avoids every probate issue, and not every will must go through a lengthy probate process. Individual circumstances and state laws vary significantly.

Common Estate Planning Documents

A complete estate plan often includes several documents working together. Each serves a distinct purpose, and together they create a more comprehensive picture of your wishes.

Last Will & Testament

Directs how your assets are distributed and names guardians for minor children.

Revocable Living Trust

Allows you to manage assets during your lifetime and specify how they're distributed afterward.

Durable Financial Power of Attorney

Authorizes someone to manage your financial affairs if you become unable to do so.

Healthcare Directive

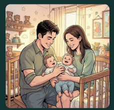
Outlines your medical wishes and names someone to make healthcare decisions on your behalf.

Beneficiary Designations

Names who receives retirement accounts, life insurance, and other designated assets.

Which One Might You Need?

There's no one-size-fits-all answer. Different life situations may lead people to explore different planning options. Here are a few general scenarios — think of these as starting points for a conversation with a qualified professional.

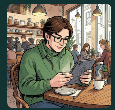


Young Family with Minor Children

Parents with young children may want to explore guardianship designations and consider how a will or trust could protect their children's future.

Homeowner with Multiple Assets

People with a home, investments, or multiple accounts may want to explore how different documents work together to manage and transfer those assets.



Person with a Simpler Estate

Those with fewer assets may find that a straightforward will, combined with updated beneficiary designations, addresses their primary planning goals.

Complex Financial or Family Circumstances

Families with blended families, business interests, or special needs beneficiaries may want to explore more tailored planning approaches with a professional.

Questions to Ask Yourself

Before meeting with an estate planning professional, it can be helpful to reflect on these key questions. Your answers will help guide a more productive and personalized conversation.

1. **Who should receive my assets?**

   Consider family members, friends, charities, or organizations that matter to you.

2. **Who should care for my children if needed?**

   Think about who you trust most to raise your children in your absence.

3. **Who should manage my financial affairs?**

   Identify someone trustworthy to handle bills, accounts, and financial decisions if you're unable to.

4. **Who should make healthcare decisions?**

   Choose someone who understands your values and can advocate for your medical wishes.

5. **Do I have assets that need special planning?**

   Consider retirement accounts, business interests, real estate, or assets for beneficiaries with special needs.

6. **When should I review my plan?**

   Life changes — marriages, births, moves, and financial shifts — may call for updates to your plan over time.

Estate Planning Checklist

Use this checklist as a practical starting point. You don't need to complete everything at once — estate planning is a process, not a single event. Mark each step as you go.

01

Inventory Your Major Assets

List your home, vehicles, bank accounts, retirement accounts, investments, and personal property of value.

02

Review Your Beneficiaries

Check that beneficiary designations on insurance policies and retirement accounts are current and accurate.

03

Identify Important Documents

Gather existing wills, trusts, powers of attorney, and healthcare directives — or note that you need to create them.

04

Consider Guardianship

If you have minor children, think carefully about who you would want to serve as their guardian.

05

Consider Powers of Attorney

Decide who you would trust to make financial and healthcare decisions on your behalf if necessary.

06

Discuss Goals with a Professional

Schedule a conversation with an estate planning attorney or qualified advisor to explore your options.

07

Review Your Plan Periodically

Revisit your estate plan every few years or after major life events to ensure it still reflects your wishes.

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Start Planning With Confidence

Estate planning is deeply personal. Laws and requirements vary by state, and every family's situation is unique. The most important step is simply beginning the conversation — with yourself, your family, and a qualified professional who can guide you.

Take the First Step

Start with the checklist above and gather your thoughts before meeting with a professional.

Find the Right Advisor

Look for an estate planning attorney or financial professional who listens and explains things clearly.

Revisit Often

Your plan should grow and change alongside your life, family, and financial situation.

Explore Your Protection Options

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Important Disclaimer: Educational information only. This guide is not legal, tax, or financial advice. Estate planning laws and individual circumstances vary. Consult an appropriately qualified professional regarding your specific situation.