

DO MILLENNIALS NEED ESTATE PLANS?

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Millennials are the generation following Generation X, described as reaching adulthood in the early 2000s. More specifically, some define the generation as anyone born between 1981 to 1996. This generation has many unique qualities making it very distinct from previous generations. Millennials have a great need for estate planning, but they may not be aware of just how imperative an estate plan may be for their generation.

Statistics are showing us that millennials have some defining qualities:

- **Millennials are getting married later than previous generations.**
- **About 58% of millennials identify as entrepreneurs.**
- **Millennials are known for growing up with technology and the internet.**
- **Student loan debt plagues this generation with an average of \$33,000 in loans to repay.**
- **Millennials want to have a social impact.**
- **Millennials have adopted more pets than any other generation before them.**

Each of these unique attributes of millennials affect their estate planning needs.

- Getting married at a later age means that many young professionals already are making a living and holding assets in their name by the time they choose to marry. This creates an increased need for prenuptial agreements for millennials. To protect the money they've earned prior to settling down and the assets they acquired, prenuptial agreements can be executed before getting married to protect assets in the event of a divorce. Also, getting married at a later age, or not at all, creates a greater need for powers of attorneys to be in place. Who would millennials like doctors to get answers from if they are unable to answer for themselves? Being a legal adult, doctors can't turn to parents, and not being married, the doctors can't turn to a spouse.
- Forming companies and pursuing creative ideas as entrepreneurs means that millennials need to protect their business interests. Properly drafted operating agreements, bylaws, assignments of interests, and trusts help millennials protect the company they started from scratch and be sure it passes to their heirs if something

were to happen to them without passing through probate. In addition, having a general power of attorney in place allows a millennial to name someone to stand in their shoes and sign financial documents on their behalf if they are out of town or in the hospital for an extended period of time to make sure the company continues to run smoothly.

- Being so involved with technology, millennials also need to make sure their estate plans protect their digital assets. First, the estate plan must authorize their agent to access their digital assets. Secondly, it is important to plan ahead and disclose a list of digital accounts with login information so they may be properly accessed, distributed, or closed.
- Student loan debt is known to plague this generation. Many worry about what will happen to these loans once they pass away. For example, will their heirs be responsible? Most federal student loans are forgiven if the borrower passes away; however, private student loans typically will not be forgiven at death and will make a claim against the estate of the borrower.
- Wanting to leave a legacy and have a social impact is important to millennials. In a will and trust is where millennials can leave all or a portion of their estate to any organization, foundation, or charity that they wish. It is also the method for which millennials can choose an environmentally-friendly disposition for their remains or express final wishes to their loved ones.
- The state of Michigan recognizes pet trusts, where someone can set aside a portion of his or her estate to be used for the continued care of the pets he or she left behind. Many millennials take comfort knowing their precious pets will be taken care of even after they are gone. Pet trusts treat the pet as a beneficiary, rather than personal property to be distributed to someone else. Without a pet trust in place, this could lead to a pet going to an unknown caregiver, to a shelter, or even being euthanized if the animal is unable to be re-homed.

Smith Haughey is ready to help you plan for whatever stage of life you are in. From protecting your assets or business to assisting you in leaving a legacy, our estate planning attorneys are prepared to assist you.



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