

# 58% of Americans Are Making This Huge Retirement Mistake

Do you have a will or trust in place? Your loved ones could face a world of upheaval without one.

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When most of us start planning for retirement, we think about things like what our living costs will be and how much money we'll have access to. Many of us, in fact, get so focused on how much we are or aren't saving that we fail to make one critical move: creating a will or living trust.

In a recent Caring.com study, 58% of American adults admitted to not having either type of crucial document in place. Even scarier, among adults with children under the age of 18, that figure climbed to 64% of folks without a formal estate plan.

Now the good news is that older Americans are more likely to have a will or trust than their younger counterparts. Here's how the data breaks down:

Age Group	Percentage of People With a Will or Trust
18 to 36	22%
37 to 52	36%
53 to 71	60%
72 and older	81%

DATA SOURCE: CARING.COM.

Though it's not surprising to see that almost 80% of younger Americans don't have a will, it's an attitude that can hurt millennials as easily as it can folks 20 or 30 years their senior. And while you might think you have plenty of time to draw up a will, or that not having one isn't such a big deal, it's a mistake that could be far costlier than you might imagine.

## Excuses, excuses

It's easy enough to come up with a reason for not putting together an estate plan. Among those surveyed by Caring.com, the most common excuses for neglecting a will or trust were not having enough assets or just not getting around to it. And then there's the reason some of us don't want to share out loud: Contemplating mortality can be a disturbing process, and many people can't bring themselves to sit down and face it.



IMAGE SOURCE: GETTY IMAGES.

But if you don't create a formal will or trust, there's no guarantee that your wishes will be carried out once you pass. And even if you don't have a ton in the way of assets, that can still cause the loved ones you leave behind an undue dose of anguish during an already trying time.

### **Why have a will?**

One of the most significant arguments behind having a will is that without one, there's no telling what might happen to your minor children once you're no longer around. But if you do create a will, you'll be able to appoint a guardian for your children so you know they'll be well taken care of.

A will can also help ensure that your assets are distributed equitably among your heirs. Furthermore, if you die without a will, your assets will be distributed based on the laws of your state -- laws that won't necessarily match your actual wishes. For example, the laws of your state might dictate that in the absence of a will, your assets will automatically be divided among your children. But if you'd rather leave a chunk of cash to your nieces and nephews, your desired beneficiaries might never see that money if there's no will to spell that out.

### **Look at trusts as well**

In addition to creating a will, you might also consider establishing a trust, the exact type of which will depend on your specific needs and level of assets. While trusts can be costly to set up, in many circumstances, the benefits they offer far outweigh the expense.

A [revocable living trust](#), for example, gives you the flexibility to manage your assets during your lifetime while ensuring that your wishes are carried out once you pass. These trusts also allow you to avoid the costly, time-consuming process that is [probate](#). [Irrevocable trusts](#) offer less flexibility during your lifetime, but they can be a smart solution for larger estates.

Because there are several [trust fund options](#) to choose from, your best bet is to sit down with an estate planning attorney and get help identifying the one that's right for you. Keep in mind that without a trust, you could subject your heirs to a larger estate tax bill than is necessary. Though most Americans don't have to worry about [estate taxes](#), they're a concern among wealthy families looking to preserve more of their assets for future generations.

That said, you don't need to be wealthy to establish a trust, and you *certainly* don't need to be wealthy to create a will. Even if you have few assets and no dependents, it still pays to set up an estate plan -- if not for your own sake, then for that of the people who are most important to you.