

Office Hours Study Guide

When Should Someone Establish an Estate Plan?

A Lifecycle Perspective for Advisors

Clients often ask whether they, or their adult children, are “too young” to need an estate plan. Advisors can play a crucial role in clarifying that estate planning isn’t just for older adults or wealthy families. In fact, everyone over the age of 18 needs some level of planning, with complexity increasing across major life stages.

AGE 18: THE FIRST CRITICAL MILESTONE

Once a child turns 18, they are legally an adult. This creates an immediate shift. Parents no longer have the legal right to access medical information, make healthcare decisions, or manage finances on behalf of their child, even if:

- The child is still living at home
- The parents are paying the bills
- The child is on the family’s health insurance
- The child wants parental involvement

Since most young adults have minimal assets, the focus is on incapacity planning, not wealth transfer. Essential documents include:

- Health Care Power of Attorney
- Financial Power of Attorney
- HIPAA Authorization
- Basic will (optional for most, but beneficial if assets exist)

Many families now treat these documents as a “graduation gift,” a practical step that protects both the student and the parents in case of an emergency.

MARRIAGE, CAREER, AND GROWTH YEARS

As individuals progress through early adulthood, their estate planning needs to expand.

Marriage introduces new considerations:

- A spouse does not automatically have legal authority to make health or financial decisions during incapacity
- Powers of attorney, advanced directives, and updated beneficiary designations become essential.

During this phase, clients may also acquire meaningful assets like homes, savings, or retirement accounts that make wills and revocable living trusts increasingly important.

PARENTHOOD AND FAMILY EXPANSION

The birth or adoption of a child is a major catalyst for more robust estate planning.

Advisors should ensure clients consider:

- Guardianship designations
- Trust structures for minor children
- Asset protection and distribution timing (not just outright inheritance at 18)
- Updates to beneficiary designations and account titling

Many clients mistakenly believe a spouse can automatically step in for all decisions. Advisors can help dispel that misconception and ensure appropriate documents are in place.

LATER LIFE AND ONGOING ADJUSTMENTS

Estate planning is not a one-and-done event. Major life changes, such as relocation, remarriage, new assets, business ownership, or health challenges, should trigger reviews and updates. Advisors can guide clients through these phases and coordinate with estate planning attorneys as needed.

THE BOTTOM LINE

Estate planning is needed as soon as someone becomes an adult, with complexity building over time. Advisors who help clients understand these milestones can ensure families are protected long before a crisis occurs.

Incorporate estate planning checkpoints into your client review process. Encourage families with college-bound children to complete core incapacity documents and help adult clients revisit their plans at each major life stage. Early and proactive planning protects clients and the people who depend on them.

To learn more about this topic, please watch our [Office Hours video](#) or reach out to your investment consultant.

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