

CASE STUDY:

The Young and Growing Family



The Johnson's (Mark and Jen) have two young sons: Tyler and Jake. They are expecting their third child soon, a girl. Both Mark and Jen are working, and together they make about \$120,000 every year. And while that might sound like a lot, between the cost of childcare, student loans, and retirement savings, they have little expendable income left over.

They are curious about estate planning, but, like most other Millennials their age, death is more of an abstraction than a reality.

How do you advise them?

The Johnson's should probably look into getting a Revocable Living Trust. Trusts allow for an easy transfer of wealth between family members, and they are entirely private. This means that any wealth they acquire for themselves can easily and efficiently be passed down to their children without having to wait for the court to process everything.

ASSETS:

- House (w/ mortgage)
- 2 cars
- Life insurance policies (total of \$2 million in death benefits)
- Roth IRAs
- 529 College Savings Account

QUESTIONS TO ASK:

- Are you worried about what might happen to your kids if something happens to you?
- Have you thought about child guardianship?
- If you become incapacitated, how can you ensure your kids are cared for financially?
- What are your perceptions of estate planning?