



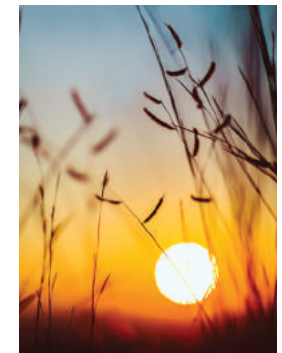
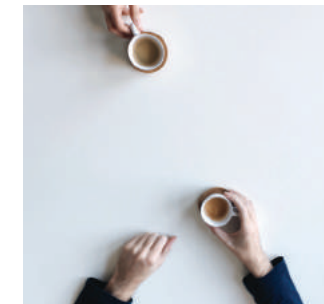
W E A L T H

WEALTH PLANNING FOR THE MODERN FAMILY

MODERN ESTATE PLANS • GENERATIONAL DIVIDES • UNMARRIED COUPLES
FAMILY DECISION-MAKING • END-OF-LIFE CARE



WEALTH MAGAZINE



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AND END-OF-LIFE CARE

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Life is unpredictable. One of the most important gifts that we can leave our family is a thoughtful and carefully designed estate plan.

R. Hugh Magill



INSIGHTS FROM RESEARCH BY



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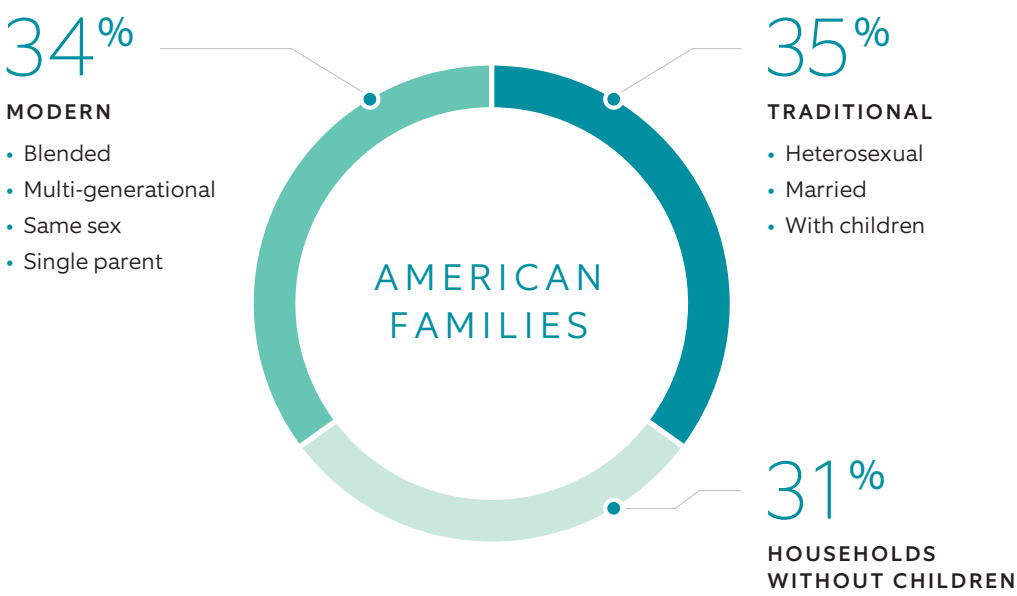
MODERN FAMILIES NEED MODERN ESTATE PLANS

ESTATE PLANNING HAS NOT CAUGHT UP WITH
CHANGING FAMILY STRUCTURES. WORK WITH
YOUR ADVISORS TO OVERCOME THIS DISCONNECT.

Thirty years ago, a traditional family was considered to be a husband and wife who married at an early age, bought a home, had children and worked toward financial security. Today, with the rise of blended families, artificial reproductive technology, cohabiting couples and other household trends, that “traditional family” represents only one-third of American households.

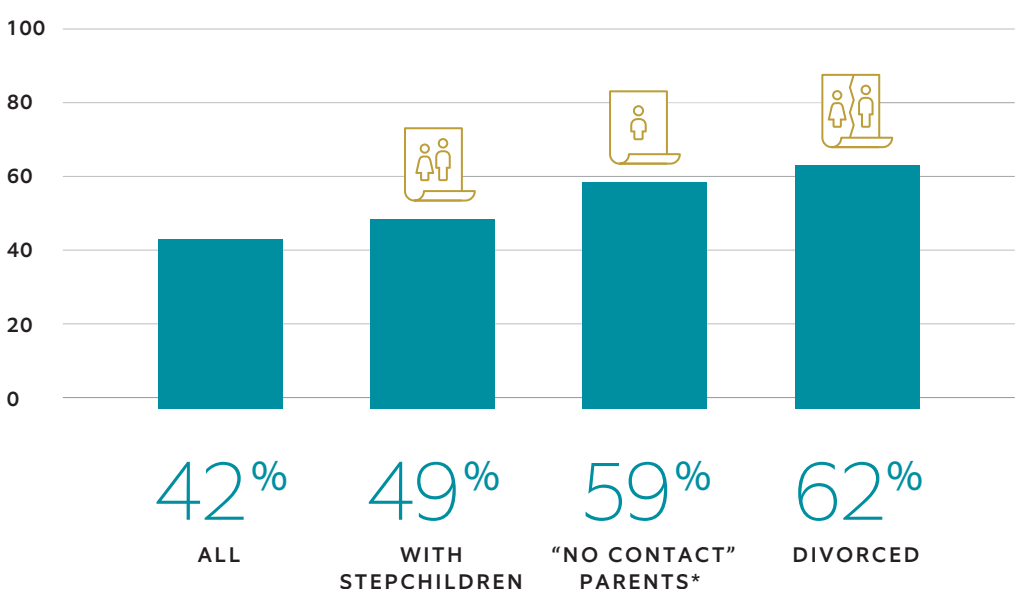
The other two-thirds of families often have unique needs that challenge traditional models for estate planning and trust management. If yours is one of them, work with your advisors to create a new model to better suit your goals.

FAMILY STRUCTURES
HAVE BECOME MORE
COMPLEX¹



MORE COMPLEX
FAMILIES ARE LESS
LIKELY TO HAVE A PLAN

HEALTH & RETIREMENT STUDY FINDINGS
(% OF RESPONDENTS WITHOUT A WILL)²



*"No Contact" respondents include parents who have had no contact with at least one adult child for at least one year.

1. United States Census Bureau "America's Families and Living Arrangements" (2013).
2. Drawn from the Health and Retirement Study – a project sponsored by the National Institute on Aging and the Social Security Administration and conducted by the Survey Research Center at the University of Michigan's Institute for Social Research.

KEY CONSIDERATIONS FOR BUILDING MODERN ESTATE PLANS



1

DO NOT DELAY

Avoiding creating or updating your estate plan due to remarriage, divorce or other complex family circumstances is a mistake. While making decisions about wealth transfer might be more difficult for you, an insufficient plan can lead to wasted resources, broken relationships and other unintended consequences.

2

LOOK FOR ESTATE PLANNING ADVISORS WHO HAVE SERVED FAMILIES LIKE YOURS.

Conventional planning favors traditional family structures and equal wealth bequests. Your plan will benefit from someone sensitive to and experienced with creative solutions for contemporary families.

3

IF YOU REMARRY, CLARIFY YOUR INTENTIONS THROUGH PRE- OR POST-NUPTIAL AGREEMENTS.

You and your new spouse should mutually understand how you will distribute your assets to your children, your spouse's children, mutual children or other beneficiaries. Additionally, agree on key decisions early, such as how to collectively use your estate and gift tax exemptions.

4

EVALUATE ALTERNATIVE WEALTH TRANSFER STRATEGIES IF YOUR FAMILY IS BLENDED.

For example, if you remarry and have children from a previous marriage, lifetime gifts to your children (rather than after-death bequests) could promote better family dynamics.

Regardless of your family's unique needs, be aware that U.S. law and common estate planning practices tend to favor traditional family structures. This awareness will help you think more carefully about what specific provisions you need to make, leading to better discussions with your advisors and your family – and ultimately a better plan.

5

CLARIFY AND EXPAND TRUST PROVISIONS AND OTHER ESTATE PLANNING TERMS TO ADDRESS PREVIOUSLY OVERLOOKED ISSUES, SUCH AS:

- Carefully defining your beneficiaries. For example, if you set up a trust for your grandchildren, would you like to expand your definition of future grandchildren to include step grandchildren or those born through artificial reproductive technology?
- Contemplating scenarios where your children never marry but remain in committed relationships and have children.
- Aligning your estate planning documents with your religious or cultural traditions relating to end-of-life issues and inheritance. For example, does your living will or health care power of attorney fully reflect your values relating to end-of-life issues? Are the provisions of your trust agreement relating to investments or discretionary distributions consistent with your values?

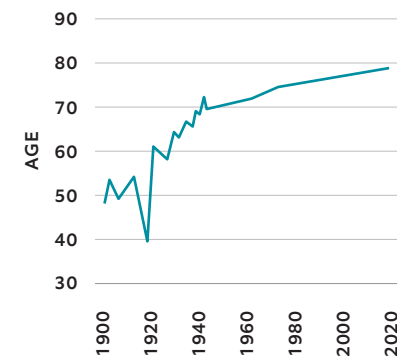
NAVIGATING GENERATIONAL DIVIDES

TO BETTER SERVE MULTIPLE GENERATIONS,
ESTATE PLANNING NEEDS TO EXPAND
BEYOND FINANCIAL CONSIDERATIONS.

The age span of families living and managing wealth together has been rising for many decades. To understand this trend, consider that today, Americans' life expectancy has risen by over 30 years since 1900. Also consider that the number of adults who have remarried has increased threefold since 1960¹ and that a 10-year age gap exists in 20% of new remarriages.²

The expansion of households and families across multiple generations raises a host of issues and opportunities for estate plans. One primary example is the need to bridge the generational divide that exists between grantors and beneficiaries. While younger generations seem increasingly inclined to seek meaning and purpose behind their inheritances, traditional estate plans rarely provide such insight. To deliver it, older generations should approach estate planning more holistically, with a focus on communicating the basis for their intentions both before and after they die.

LIFE EXPECTANCY
HAS RISEN BY OVER
30 YEARS SINCE 1900³



1. Livingston, G. (2014, November 14). Four-in-Ten Couples are Saying "I Do," Again. Pew Research Center. Retrieved from <http://www.pewsocialtrends.org/2014/11/14/chapter-4-marriage-and-remarriage-among-newlywed-couples/>

2. Livingston, G. (2014, December 4). Tying the knot again? Chances are, there's a bigger age gap than the first time around. Pew Research Center. Retrieved from <http://www.pewresearch.org/fact-tank/2014/12/04/tying-the-knot-again-chances-are-theres-a-bigger-age-gap-than-the-first-time-around/>

3. Centers for Disease Control and Prevention. Life expectancy at birth, All Races, Both Sexes.

GENERALIZATIONS ABOUT GENERATIONS

The attitudes, behaviors and preferences of younger generations have changed significantly from those of the generations that shaped traditional estate planning models.⁴

WEALTH OWNERS / CREATORS

TRADITIONALISTS: 1900-1945
BOOMERS: 1946-1964

- Respectful of authority
- Control-oriented decision-making
- Work-centered
- Culturally homogeneous
- Digital learners

WEALTH INHERITORS / STEWARDS

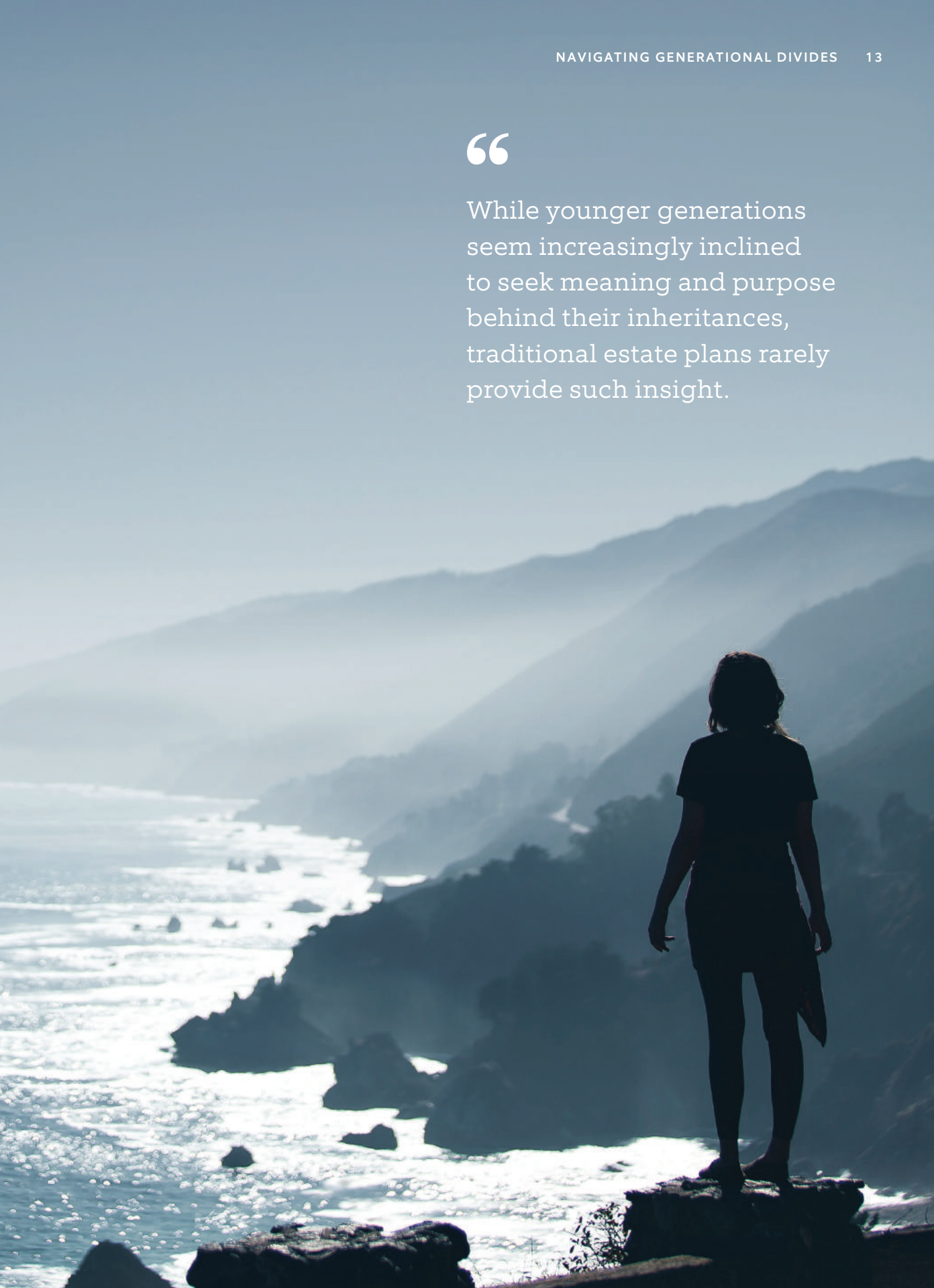
GEN X: 1965-1981
MILLENNIALS: 1982-2002

- Suspicious/tolerant of authority
- Pragmatic/networked decision-making
- Life-centered
- Culturally diverse
- Digital natives

“

While younger generations seem increasingly inclined to seek meaning and purpose behind their inheritances, traditional estate plans rarely provide such insight.

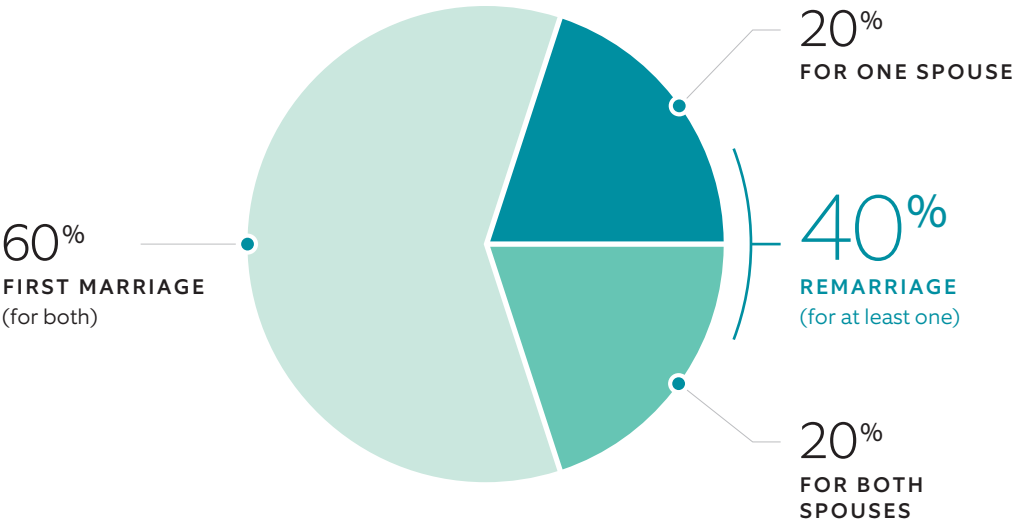
4. Pew Research Center, March 2014 “Millennials In Adulthood: Detached from Institutions, Networked with Friends.”; Taylor, Paul, The Next America, New York: Public Affairs, 2014; Brokow, Tom, The Greatest Generation. New York: Random House.



REMARRIAGE HAS BECOME MUCH MORE COMMON

4 IN 10 NEW MARRIAGES INVOLVE REMARRIAGE ⁵

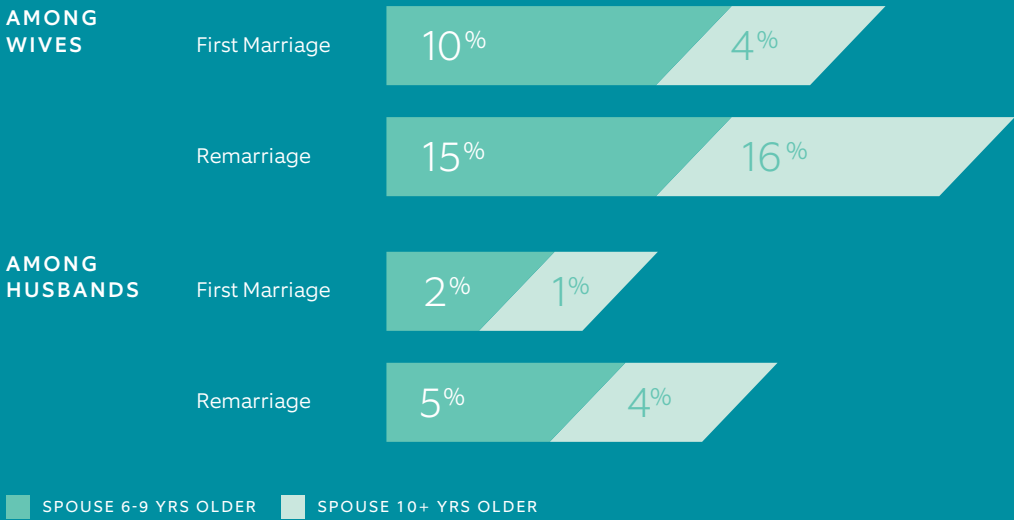
% OF NEW MARRIAGES IN 2013



Note: "New marriages" are marriages that began in the past 12 months. A first marriage is one in which neither spouse has been previously married. A remarriage includes at least one spouse who has been married before. Based on couples, not individuals, where at least one spouse is age 18 or older. Pew Research Center.

REMARRIAGE AGE-GAPS ARE LARGER ⁵

% OF NEW MARRIAGES, BY AGE DIFFERENCE OF SPOUSE

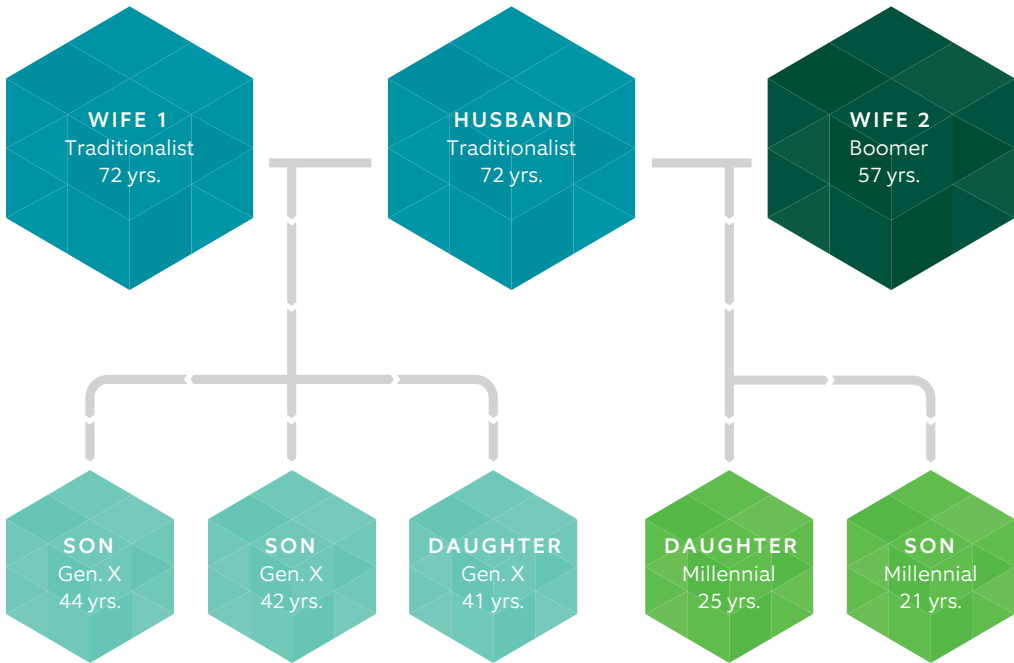


Note: Couples with age differences of five years or less not shown. A first marriage is one in which neither spouse has been previously married. A remarriage includes at least one spouse who has been married before. Based on marriages that began in the past 12 months. Based on couples, not individuals, where at least one spouse is age 18 or older. Pew Research Center.

5. Livingston, G. (2014, November 13). Four-in-Ten Couples are Saying "I Do," Again. Pew Research Center. Retrieved from http://www.pewsocialtrends.org/2014/11/14/four-in-ten-couples-are-saying-i-do-again/st_2014-11-14_remarriage-01/

A BLENDED, MULTI-GENERATIONAL FAMILY

With large age gaps in remarriage, it is not uncommon for a blended family of spouses and children to cover four generations.



METHODS FOR NAVIGATING GENERATIONAL DIVIDES IN ESTATE PLANS



CONSIDER ADDING A STATEMENT OF WEALTH TRANSFER INTENT (SOWTI) TO YOUR ESTATE PLANNING DOCUMENTS.

As a personalized declaration of your wealth transfer goals, a SOWTI is the heart of your trust or will. It provides a unique intention that is tied to your personal history, values or perspectives and thus overcomes the traditional reliance by trustees and beneficiaries on making inferences about the overarching purpose of your wealth. This clarity has become increasingly relevant in an environment where tax minimization goals have become less critical for many individuals under current law.⁶

Sample goals that might be found in SOWTIs include encouraging entrepreneurialism, promoting philanthropy, or preserving family values and traditions. While many would agree these types of higher level objectives communicate an invaluable part of one's legacy, they have rarely been included in traditional estate plans.



SELECT TRUST DISTRIBUTION STANDARDS THOUGHTFULLY.

Trust provisions that provide trustees guidance regarding what types of distributions can be made have historically been relatively narrow in scope for tax reasons. Support, maintenance and health are among the most common standards, whereas broader purposes, such as comfort and best interests, are used less frequently.

The narrowness of these standards is becoming increasingly incongruent with longer trust terms and generational shifts in philosophies and priorities. For example, carefully consider whether you want distributions to your children and grandchildren to enable more aspirational goals, such as global travel, professional education or social impact. Or more broadly, consider giving your trustees greater distribution flexibility so that they can adapt and respond to the changing needs of your beneficiaries.

6. Odom, R. (2016). The "Goal Standard" of Estate Planning.
<http://www.northerntrust.com/documents/white-papers/wealth-management/the-goal-standard-of-estate-planning>.

MOVING TOWARD BROADER TRUST DISTRIBUTION STANDARDS MAKES SENSE FOR MANY FAMILIES

DISCRETIONARY DISTRIBUTION STANDARDS



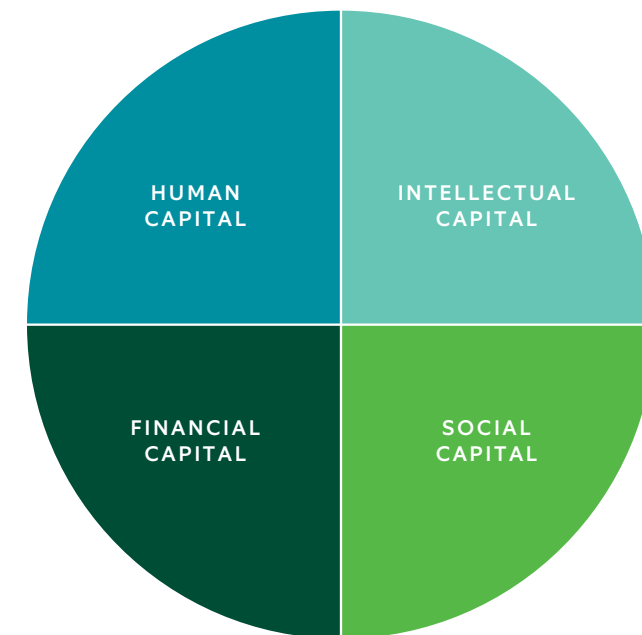


FOCUS ON MULTIPLE ASPECTS OF WEALTH.

Historically, estate planning has been predominantly focused on the financial aspect of legacies. But when families think more holistically about their wealth, their plans for their financial wealth will be more closely aligned with their values and aspirations.

Charles W. Collier offers a framework for this type of approach in his book *Wealth in Families*, where he expands the definition of wealth to include four quadrants: financial, human, intellectual and social capital. Consider adopting a similar approach with your family to move the conversation from “how much and when” to answering some of the most fundamental questions about your goals and values.

REDEFINING FAMILY WEALTH



Source: Collier, W. Charles, *Wealth in Families*, Harvard University.

Generational shifts in attitudes, preferences and behaviors are reshaping many aspects of life in the United States. The estate planning process should be no exception. Work with your family and advisors to adopt a model that can bridge differences and communicate your wealth's purpose for many generations to come.

UNMARRIED COUPLES NEED A PLAN TOO

YOUR RELATIONSHIP MAY NOT BE
TRADITIONAL, AND YOUR ESTATE PLAN
DOES NOT NEED TO BE EITHER.

Over the past few decades, the United States has seen a consistent decline in the number of couples opting to marry. However, this does not mean people are no longer in long-term relationships — many couples simply remain unmarried. “The marriage paradigm is changing. In previous generations, marriage was a cornerstone: Couples dated, got married, lived together, then had children. Today, couples may build a life together before they marry, making marriage a capstone experience,”¹ says Hugh Magill, Northern Trust’s Chief Fiduciary Officer and Global Director of Trust Services.

THE MARRIAGE PARADIGM IS CHANGING

HISTORICAL RELATIONSHIP PROGRESSION

1960

9%

of adults 25+ were unmarried

- Courtship
- **Marriage**
- Cohabitation
- Children
- Financial Security

CONTEMPORARY RELATIONSHIP TRENDS

2012

20%

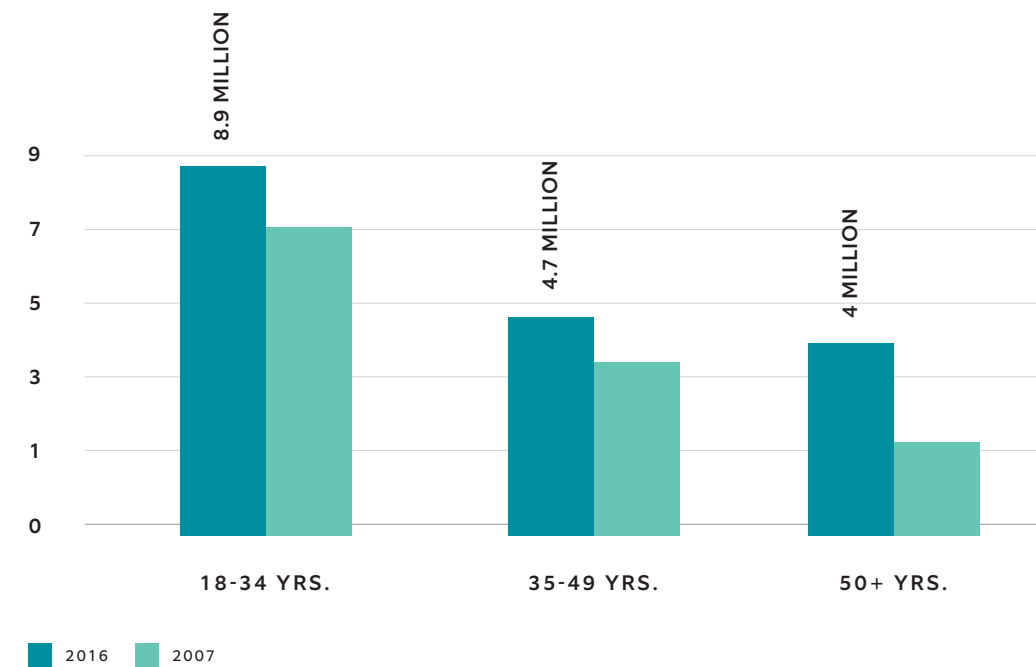
of adults 25+ were unmarried

- Courtship
- Cohabitation
- Financial Security
- Children
- **Marriage**

While cohabitation is a growing trend, current property and tax laws do not afford the same financial protections to domestic partners as they do to married couples. This is a significant issue, given the growing number of couples and children it impacts.

1. Taylor, P. The Pew Research Center, The Next America, New York: Public Affairs, 2014. Carroll, J.S., Hymowitz, K., Kaye, K., Wilcox, W. B. (2013). Knot Yet: The Benefits and Costs of Delayed Marriage in America. Charlottesville, VA: The National Marriage Project at the University of Virginia.

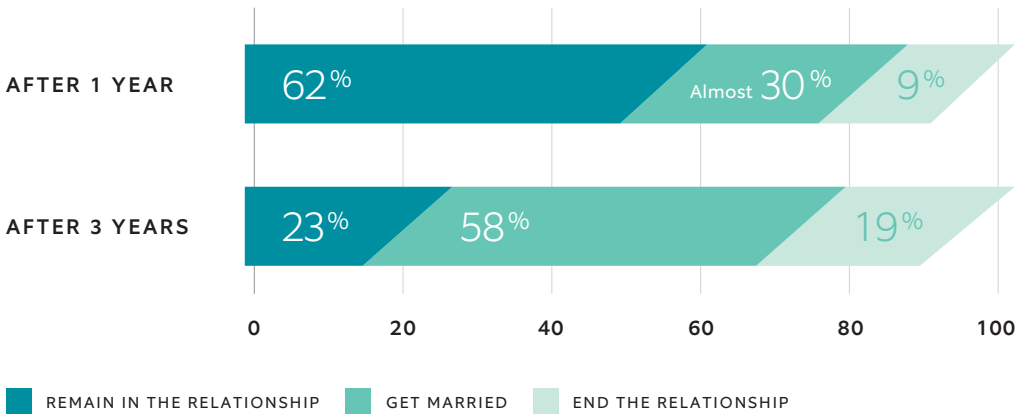
THE NUMBER OF ADULTS COHABITATING INCREASED 29% FROM 2007 TO 2016²



While nearly half of all cohabiting adults are under 35, the percentage of cohabiters aged 50 and over is increasing.

2. Parker, K., Wang, W. (2014, September 24). Record Share of Americans Have Never Married. Pew Research Center. Retrieved from <http://www.pewsocialtrends.org/2014/09/24/record-share-of-americans-have-never-married/>

MANY COHABITERS REMAIN IN LONG-TERM RELATIONSHIPS³



3. Stepler, R. (2017, April 6). Number of U.S. adults cohabiting with a partner continues to rise, especially among those 50 and older. Pew Research Center. Retrieved from <http://www.pewresearch.org/fact-tank/2017/04/06/number-of-u-s-adults-cohabiting-with-a-partner-continues-to-rise-especially-among-those-50-and-older/>

4. "Living Arrangements of Children Under 18 Years And Marital Status Of Parents, By Age, Sex, Race, And Hispanic Origin And Selected Characteristics Of The Child For All Children: 2016," United States Census Bureau, 2016.

Nearly 3 million children were living with unmarried parents in 2016⁴



6 STEPS TOWARD AN ESTATE PLAN FOR UNMARRIED COUPLES

High-net-worth couples may have a mutual understanding of how they would allocate their wealth if their partner should pass, but they may not have an impetus (such as a prenuptial agreement) to put an estate plan in writing. Without a legally binding agreement, a judge cannot enforce their wishes. To avoid this situation, consider taking the following steps to ensure your intentions are fulfilled.

1

Consider consulting an attorney about a **cohabitation agreement** in lieu of a prenuptial agreement.

2

Discuss two difficult subjects – **disability and death** – to understand each other's expectations about healthcare and wealth transfer.

3

Work with a skilled **estate planning attorney** to develop an estate plan that is consistent with each partner's objectives.

4

Carefully consider the **tax implications** of asset transfers, both those occurring during life and at death, in light of the fact that tax deductions available to married couples are not applicable to unmarried couples.

5

Title assets and modify **beneficiary designations** to follow the provisions of each estate plan.

6

Execute **durable powers of attorney** for healthcare and property.



Traditional family structures in the U.S. are clearly evolving, but most estate plan laws have not yet caught up. To ensure each partner is protected, unmarried couples should seek the guidance of attorneys and other advisors to build a successful strategy.

MAKING DECISIONS AS A FAMILY

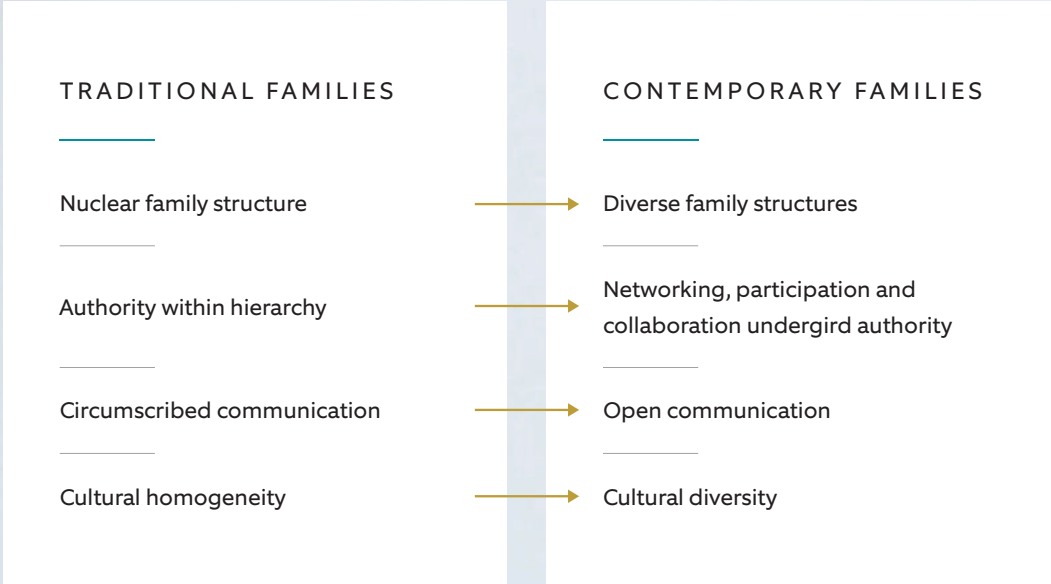
A NEW CONSTRUCT IS NEEDED FOR TALKING AND MAKING DECISIONS ABOUT WEALTH.

Some decisions families need to make are relatively easy. Where should we vacation this year? Where should we hold a birthday party? Decisions about wealth, however, tend to prove much more challenging. For example, how should we manage shared assets? Or, what should our family business succession plan look like? Simple solutions usually do not exist for these types of issues, and families often need to navigate complex interpersonal dynamics.

In prior generations, families generally followed a relatively straightforward process. An authority figure made the decision, which if communicated at all, was understood as final.

Today, this model is changing as families navigate more complex structures and adjust to generational shifts in attitudes, behaviors and preferences. While this presents a challenge for many families – who may not know what their model should be – it also opens the door to more fulfilling conversations. Dialogue can expand beyond the traditional concerns of “how much wealth will I receive?” and “how soon will I receive it?” to conversations that communicate family history, purpose and values.

CHANGING FAMILY DYNAMICS



ECHOS OF A CHANGING WEALTH DIALOGUE

PRIOR GENERATIONS

DIALOGUE

None

PRE-MORTEM EXPECTATIONS

- What will I get... and when?

POST-MORTEM REACTION

- What was he/she thinking?

CONTEMPORARY GENERATIONS

PHILOSOPHICAL CONCERNS

- What will our legacy be?
- How much wealth is too much?

PRACTICAL CONCERNS

- How will we raise self-reliant/resilient children in wealth?
- When and how should we discuss wealth with children?
- How can we develop effective family collaboration and governance?
- How can philanthropy contribute to social good and family well-being?

TACTICAL CONCERNS

How will we provide for:

- Aging parents and dependent children?
- Disabled siblings?

How should we treat:

- Full-blooded children
- Half-blooded children
- Stepchildren
- Artificial reproductive technology children
- In-laws
- Non-marital partners

AN APPROACH FOR FAMILY DECISION-MAKING

Talk about wealth regularly

Many families spend very little or no time talking about wealth. This contrasts sharply with the amount of time they spend earning it and managing technical and tax issues. But ultimately, some of the most profound wealth management challenges that families face are more qualitative in nature.

Talking about wealth is the best way to confront these challenges and is every bit as important as creating an efficient estate plan — if not more so. For example, developing a wealth transfer plan without preparing your loved ones for the responsibilities of financial wealth entails real, but avoidable, risks such as financial mismanagement, entitlement syndrome and lack of productivity.

Learning to talk about wealth will also provide a foundation for future collaboration and decision-making, particularly for more difficult issues such as those associated with health care and the end of life.

Write it down

In addition to talking about wealth regularly, consider including a Statement of Wealth Transfer Intent (SOWTI) in your estate planning documents to communicate important qualitative aspects relating to your wealth, such as your values, how your wealth was built and your goals for how your wealth may contribute to your beneficiaries' well-being.

Build a decision- making model

When a decision needs to be made, following a construct can facilitate greater buy-in and lead to better outcomes. Consider answering the following questions before you sit down as a family.

1

WHAT IS THE ISSUE?

In addition to defining the issue at stake, consider what you really want for everyone involved. What are your immediate and longer-term goals?

2

WHO IS FAMILY?

Think carefully about the inclusion or exclusion of family members as it relates to the decision. Whom do you consider family, and who will be impacted? Does your definition of family include your children's non-marital partners? Does it include in-laws?

3

WHO IS AT THE TABLE?

Which family members should you include in the actual discussion? Answers might range from the entire family to a relatively small number of people representing the collective group's interests, depending on the issue.

4

WHICH TABLE?

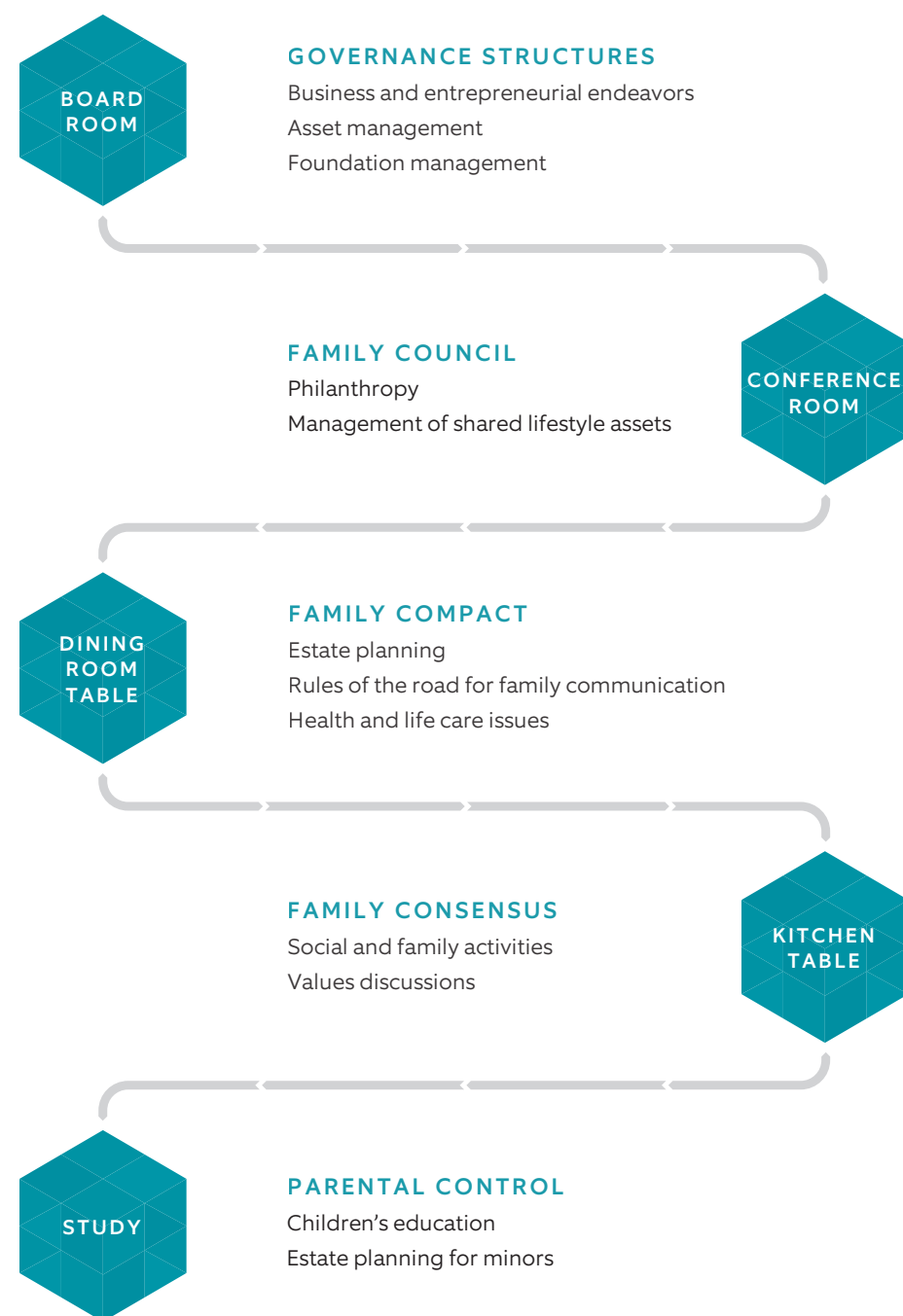
The setting for your discussion should align with the nature and complexity of the issue. The intimacy and warmth of an informal environment better suits certain conversations, while other discussions might benefit from a more formal venue.

5

WHO HAS DECISION RIGHTS?

Who should make the final decision? Who has the authority to make such decisions and how does that impact the discussion? This is not always clear but should be established upfront.

THE FAMILY DECISION- MAKING CONTINUUM



Learn to communicate openly

In business and day-to-day life, we tend to approach conversations as debates. We often try to convince rather than understand, and consider ourselves successful when we have persuaded someone to adopt a position or action. While this approach sometimes works, it can also lead to misunderstandings or even conflict – particularly when family wealth is involved.

What is the alternative? In the book, “Crucial Conversations: Tools for Talking When Stakes Are High,” the authors offer an alternative model called “learning to talk tentatively.” This strategy invites others to add their viewpoints and focuses on building a shared understanding, even in situations where decisions have already been made. This style of conversation can significantly improve your effectiveness in family discussions. While this inclusive approach will likely take time to learn, the following guidelines can help:¹



STATE WHAT YOU REALLY WANT FOR EVERYONE

Take the time to tell your loved ones what you want them to gain from the discussion.



SHARE YOUR PATH

People often understand dialogue best in story form. Explain to your family the factors and thinking behind your decision.



CHECK AND AFFIRM

Instead of declaring, invite others to express themselves and ask questions.



ALLOW QUIET INTO YOUR CONVERSATIONS

Periods of silence can provide permission for people to reflect more carefully on what they are hearing.

1. “Crucial Conversations: Tools for Talking When Stakes Are High,” Kerry Patterson, Joseph Grenny, Ron McMillan, Al Switzer, McGraw-Hill, June 2002.

THE NEW LONGEVITY AND END-OF-LIFE CARE

TO FULFILL YOUR INTENTIONS AND
ALLEVIATE THE BURDEN ON YOUR FAMILY,
COMMUNICATE YOUR CARE PREFERENCES.

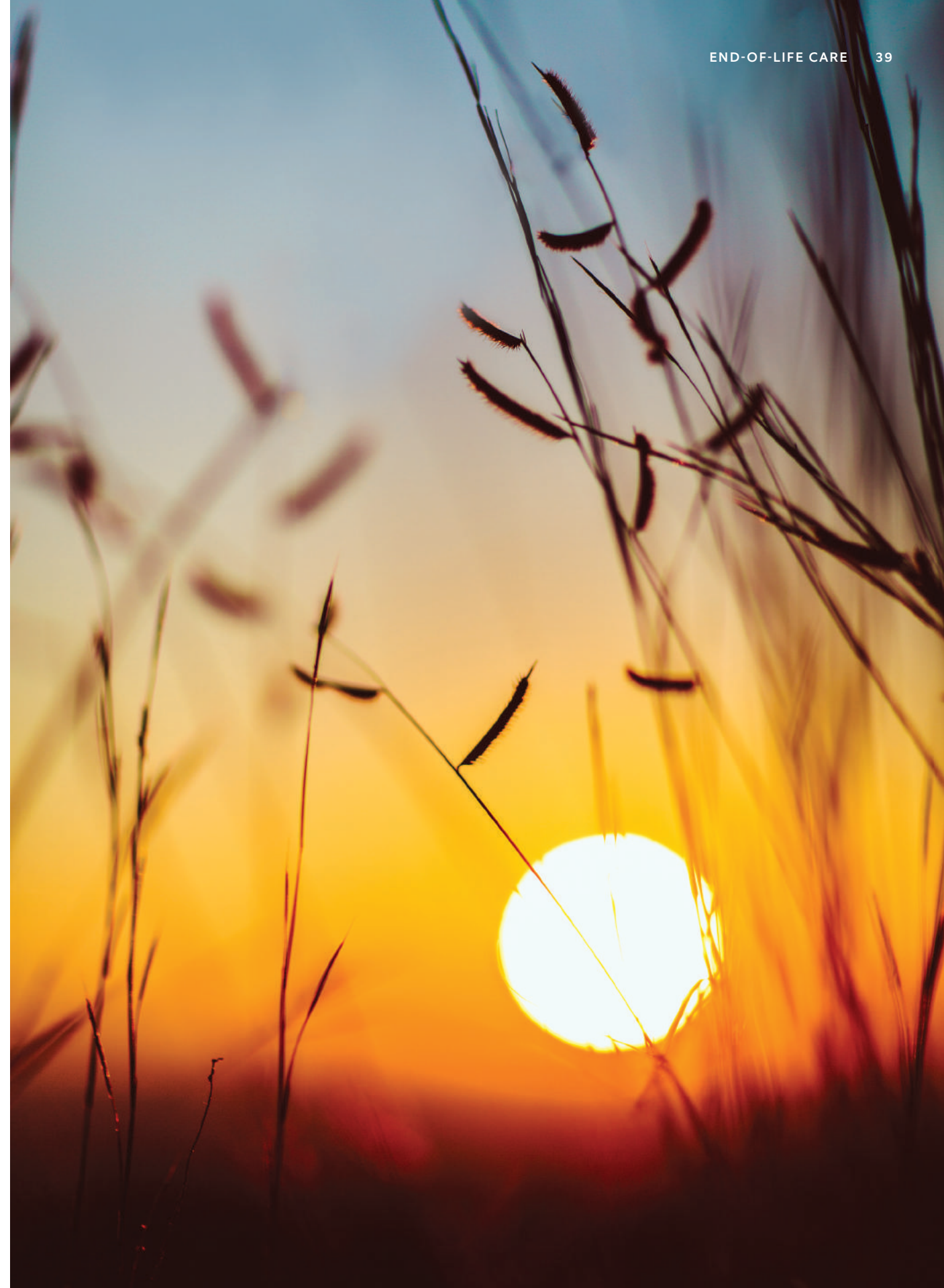
Undoubtedly, one of the greatest challenges facing modern families today is end-of-life care. People continue to live longer, the fertility rate continues to decline¹ and elders are increasingly living and dying with Alzheimer's and other forms of dementia. As a result, greater responsibility is being placed in the hands of fewer younger family members.

Despite the prevalence of these trends, many families remain ill-prepared. For instance, more than 40% of respondents in a widely cited health and retirement study² indicated they have no will, and only 35% of those surveyed in another study had written down their preferences for end-of-life treatment.³

1. The World Bank. Fertility rate, total (births per woman) as of 2016.

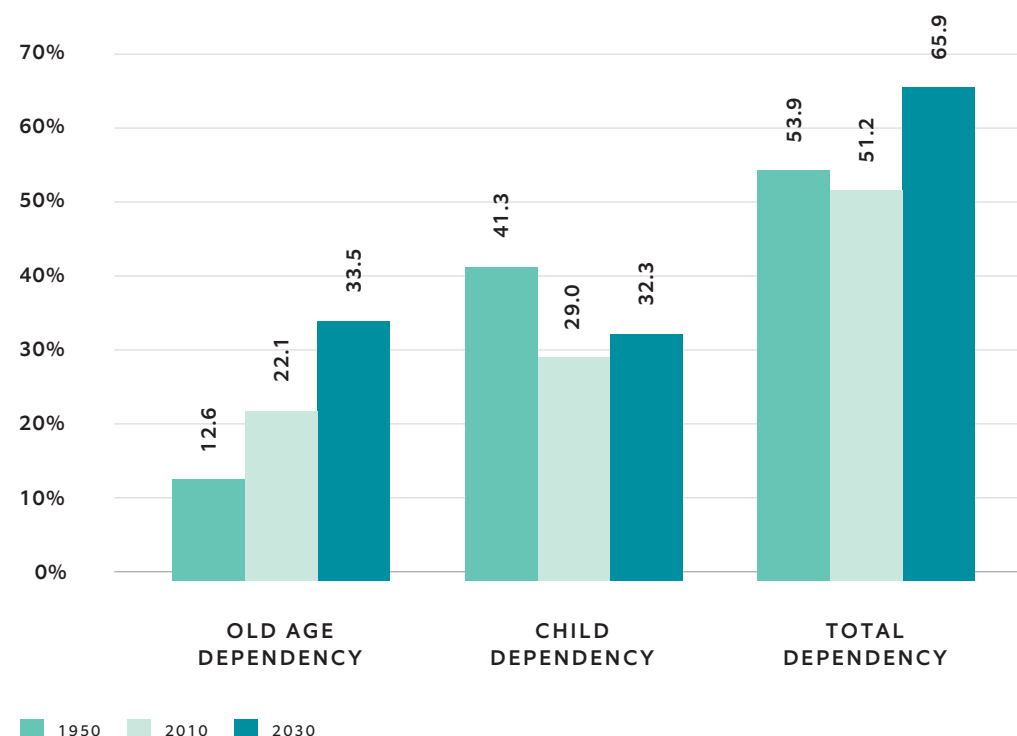
2. Drawn from the Health and Retirement Study – a project sponsored by the National Institute on Aging and the Social Security Administration and conducted by the Survey Research Center at the University of Michigan's Institute for Social Research.

3. Pew Research Center Polling and Analysis (2013, November 21). Views on End-of-Life Medical Treatments. Pew Research Center. Retrieved from <http://www.pewforum.org/2013/11/21/views-on-end-of-life-medical-treatments/>



OLD AGE DEPENDENCY CONTINUES TO CLIMB⁴

LONGER LIFESPANS AND DECLINING FERTILITY RATES ARE PLACING GREATER RESPONSIBILITY IN FEWER HANDS.



4. United Nations, Department of Economic and Social Affairs. The 2017 Revision of World Population Prospects. The 2030 forecast is the momentum variant, which assumes instant-replacement-fertility, constant-mortality and zero-migration.
 Note: The old-age dependency ratio is the population age 65 and over divided by the population age 15-64. The child dependency ratio is the population 0-14 divided by the population age 15-64. The total dependency ratio is the population age 65 and over plus the population age 0-14 divided by the population age 15-64.

THE ELDERLY ARE INCREASINGLY LIVING AND DYING WITH DEMENTIA

1 in 3

seniors dies with Alzheimer's or another form of dementia, killing more than breast cancer and prostate cancer combined.

Between 2000 and 2015 deaths from heart disease decreased **11%** while deaths from Alzheimer's increased **123%**.

5.7

million Americans are living with Alzheimer's. By 2050, this number is projected to rise to nearly **14 million**.

This number includes an estimated 5.5 million people age 65 and older and approximately 200,000 individuals under age 65 who have younger-onset Alzheimer's.

The lack of planning for end-of-life decisions can have a number of emotional and financial consequences for patients and their families. But two stand out:



PREFERENCES FOR END-OF-LIFE CARE ARE NOT FULFILLED.

According to Pew Charitable Trusts, while 70% of Americans express the desire to die at home, only 30% actually do, with the rest dying in the hospital or at a skilled nursing facility.⁵ According to another study by the Kaiser Family Foundation, while 71% of Americans want to die at home, only 40% think this will actually happen.⁶



FAMILY RELATIONSHIPS SUFFER.

Research indicates that end-of-life care decisions draw many families into interpersonal conflict. For example, a study of spouses and adult children of patients with lung cancer found that nearly 30% of families disagreed or argued at the end of life.⁷ Rising geographic, religious and cultural diversity within families is likely exacerbating this issue.



While successfully navigating these issues requires a multi-faceted approach, solutions rest largely on communication — both in written and verbal form.

5. Pew Charitable Trusts, sourced from the Center to Advance Palliative Care as of 2013. Palliative Care and End-of-Life Care: Improving Personal-Centered Care for Patients with Serious Illness – Appendix.
6. Brodie, M., Hamel, L., Wu, B. (2017, April 27). Views and Experiences with End-of-Life Medical Care in the U.S. Henry J Kaiser Family Foundation. Retrieved from <https://www.kff.org/report-section/views-and-experiences-with-end-of-life-medical-care-in-the-us-findings/>
7. Kramer, B, Kavanaugh, M, Trentham-Dietz, A, Walsh, M, Yonker, J. (2010). Predictors of Family Conflict at the End of Life: The Experiences of Spouses and Adult Children of Persons with Lung Cancer. *The Gerontologist*, Volume 50, Issue 2, Pages 215-225. Retrieved from <https://academic.oup.com/gerontologist/article/50/2/215/719211>





Open conversations with your family about your end-of-life wishes can accomplish many things written documents cannot.

A PLAN FOR END-OF-LIFE CARE

CAREFULLY CONSIDER AND IDENTIFY YOUR END-OF-LIFE CARE PREFERENCES AS SOON AS POSSIBLE.

Medical emergencies can occur at any age. Yet in a survey conducted by the Pew Research Center, only 26% and 38% of people aged 18-49 and 50-64, respectively, indicated they have written down or talked with someone about their wishes.⁸

To begin this process, work with medical and legal advisors who have demonstrated an openness and ability to guide you through the types of decisions that may arise as you age or face a health crisis. Then carefully consider your preferences. This is a weighty task that requires you to assess your values and priorities, but making these decisions sooner rather than later will likely give you greater peace of mind.

Examples of the types of scenarios you will want to consider include the following:⁹

- What is the right balance between extending life and quality of life for you?
- What if an illness or accident left you paralyzed or in a permanent coma? Would you choose to receive life-sustaining treatment?
- Would you be willing to receive powerful pain medications at end-of-life, even if they carry significant adverse side effects?
- What if you are permanently unconscious and develop pneumonia? Would you want to receive antibiotics or be placed on a ventilator?

PREPARE ADVANCE DIRECTIVES WITH THE HELP OF YOUR ADVISORS.

There are a number of documents pertaining to end-of-life care that you may want to consider preparing with your advisors to facilitate a clear understanding of your preferences. While most people are familiar with a living will – one form of an advance directive – many others exist and have varying usefulness and applicability depending on state law and your unique situation. The most important directive is a durable power of attorney for health care, which specifies whom you would like to make decisions for you when you are unable to do so. Other forms of advance directives include the following:

- A DNR (Do Not Resuscitate) order instructs medical professionals to refrain from attempting to return your heart to a normal rhythm, using CPR or other life-support measures, if it stops.
- A DNI (Do Not Intubate) order tells medical staff you do not want to be placed on a breathing machine.

In addition to the above, an increasing number of states recognize POLST (Physician Orders for Life-Sustaining Treatment) and MOLST (Medical Orders for Life-Sustaining Treatment) forms, which provide guidance regarding your medical care preferences in an enforceable physician's order. These are typically prepared near the end of life or when you become critically ill.

8. Pew Research Center Polling and Analysis (2013, November 21). Views on End-of-Life Medical Treatments. Pew Research Center. Retrieved from <http://www.pewforum.org/2013/11/21/views-on-end-of-life-medical-treatments/>

9. U.S. Department of Health and Human Services. Advance Care Planning: Tips from the National Institute on Aging. January 2018.

CAREFULLY INCORPORATE YOUR END-OF-LIFE WISHES INTO YOUR ESTATE PLANNING DOCUMENTS.

Once you have decided and memorialized your advance directives, make sure your estate planning documents align well with those choices, as well as your preferences for care settings. For example, will successor trustees be able to make the necessary distributions to cover the relevant costs? Nursing home care costs range on average from approximately \$23,000 to more than \$500,000 per year, and the differences in cost between nursing homes and home health care aides can be in the hundreds of thousands.¹⁰ Also, out-of-pocket medical expenses at end-of-life can be very substantial, depending in part on your care preferences.

DISCUSS YOUR END-OF-LIFE PREFERENCES WITH YOUR FAMILY WHILE YOU STILL CAN.

Unclear or nonexistent medical directives place considerable burden on family members during periods of heightened emotional distress. In addition to preparing your advance directives, communicate your wishes early and openly, no matter how uncomfortable or premature these discussions might seem. Not only will such conversations facilitate critical decisions in a time of crisis, they can also accomplish many things written documents cannot. These include conveying the meaning, values and emotions underpinning your choices.

THOROUGHLY CIRCULATE AND STORE YOUR ADVANCE DIRECTIVES.

Provide copies of your advance directives to important stakeholders, including your doctor, hospital, family members and health care proxies (i.e., those authorized to make health care decisions on your behalf). This may seem like a minor detail, but it can ensure smooth and uncontentious execution of your instructions during an extremely difficult time for your family.

PERIODICALLY REVISIT YOUR ADVANCE DIRECTIVES.

Time and life events can impact your preferences in unforeseen ways. For example, a serious diagnosis may cause you to make additional or different decisions about your care, or a marriage or divorce may require you to change your health care proxy. To ensure you address such changes, revisit your instructions regularly as a matter of practice, and communicate them as thoroughly as when you prepared the originals.

ENCOURAGE OTHER FAMILY MEMBERS TO TAKE THE SAME STEPS.

Sometimes your parents or other family members need prompting. This might seem even more difficult than determining and communicating your own preferences, but the results can be invaluable. Knowing your loved one's wishes and ensuring that they are appropriately memorialized alleviates undue burden on you and other family members.

10. Genworth: 2017 Cost of Care, as measured by the range between minimum and maximum average costs across the United States of home health aides and private rooms in nursing homes.



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