

Get Your Ducks in a Row!

Estate & Long-Term Care Planning News
from Carolina Family Estate Planning

November 2019

Legacy for a Nation (Part 2): MORE Estate Planning Lessons from Ben Franklin

“Wish not so much to live long as to live well,” Ben Franklin reminded his readers in the 1738 edition of Poor Richard’s Almanac. As I noted in last month’s article on Franklin’s legacy, if old Ben was indifferent to long life, he was certainly concerned with a lingering legacy. It seems that for Franklin, to live well was to ensure his legacy would remain in a form that cohered with his most deeply held values: service to the young nation, entrepreneurship, hard work, and thrift.

You may remember how in Ben Franklin’s will he painstakingly laid out the creation, maintenance and distribution of philanthropic trusts designed to last exactly 200 years. He made two separate trusts—one to the city of Boston and one to his hometown of Philadelphia. Each trust initially contained £1,000. The trusts were designed to be doled out in small loans at 5% per year to married men under 25 who had completed apprenticeships and wanted to start a business.

Sound good? Here’s the problem: Ben Franklin’s careful calculations were, despite his best intentions, wrong.

According to researcher Christopher Carosa, the original bequest of £1,000 in 1790 was worth between \$146,000 and \$197,000 in today’s dollars. If distributed and invested according to his instructions, Franklin predicted the trusts would be worth \$637,000 apiece in 1890. Of this, \$486,000 would be distributed and the remaining \$151,000 would continue to be invested as originally intended. Finally, the remaining \$151,000 in 1890 was expected to grow to \$7,390,000 by 1990.

In reality, by 1890, the Philadelphia Trust contained \$72,819. The Boston fund fared slightly better and was, by 1890, valued at \$368,741.19. Both fell short of Ben’s predictions.

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What happened? A number of factors seem to have contributed. Franklin’s predictions about inflation, considering his calculations, were, as it turns out, incorrect.

Furthermore, Franklin’s highly specific qualifications for the micro-loans caused the committee administering his estate to scratch their heads. They desired to fulfill Franklin’s wishes, but, relatively quickly after his death, they were at a loss to make the loan offer worthwhile for Franklin’s hoped-for beneficiaries: young entrepreneurs. You see, as the economy developed, would-be borrowers were able to find better sources for loans.

Another major issue was Franklin’s litigious descendants. In 1890, they sought to prove that the trust never should have been established in the first place. At the end of the day, however, the heirs lost the legal battle and Franklin’s design limped on.

More drama swirled regarding authority over the Boston fund. Franklin’s will designated the town Selectmen as the trustees of the fund. In the century following his death, the city governmental system had been reorganized, leading to confusion and power grabs. In 1930, a Massachusetts Supreme Court decision was necessary to discourage yet another power grab for Boston’s Benjamin Franklin Trust, by then valued at nearly half a million dollars.

Ultimately, Franklin’s legacy made it the 200 year mark before it was dissolved according to his instructions.

So what’s the lesson in all of this? Estate planning has evolved dramatically in the centuries that have passed since Franklin’s death. Modern estate planning has learned much from past cases such as Franklin’s and modern estate planning documents are now usually constructed with numerous levels of flexibility to accommodate changing and unforeseen circumstances.

Here at Carolina Family Estate Planning, our team regularly helps clients build plans that protect their loved one’s against future catastrophic events such as lawsuits, medical debt, bankruptcy, death, and divorce, while also including flexibility to adjust to changing or unforeseen circumstances. Why? Because unforeseen circumstances almost always arise in estate planning.

We would love to help you anticipate future bumps and ensure your values get translated into your estate plan. Give us a call at 919-443-3035.

Jackie Bedard is the founder and senior attorney of Carolina Family Estate Planning. This November, Jackie is especially thankful for the chance to serve the clients of CFEP with second-to-none legal services.





INDECISION IS THE LEADING CAUSE OF ROADKILL...

"Indecision is the leading cause of roadkill..." glared a subject line in my inbox recently. The email sent out by one of my coaches* to myself and some colleagues, got my attention. In the days since reading that email, that arresting title has remained lodged in my head. You see, we witness indecision at Carolina Family Estate Planning on an almost daily basis.



I am a firm believer that each of us has the power to mold and improve our futures for the better. The first step starts with having a clear vision of what you DO want and what you DON'T want. Only then can you begin taking measures to make it so. And that's the exact reason why many people come to see us. They understand that it's incumbent upon them to take control of their own future well-being and their family's future well-being.

But, every now and then, someone will leave our office without making a decision to take action. They'll tell us that they want to go home and "think about it." Perhaps they're overwhelmed or need some time to process internally. But we all know that life has a way of getting in the way. They put off making the decisions necessary to execute on making an estate plan. They put it off...and put it off longer...and then a little longer still.

How do we know? Because we follow up with these people. We know that one of the ways we help people is by helping them to make a decision to get started. Sometimes we'll check in 6 months or 12 months later to find that they still haven't done anything about their planning. We've seen people fall ill or die without having completed their planning. It's excruciating to watch.

Here's the thing: inaction and indecision ARE a decision--a decision to do nothing. In the words of John F. Kennedy, "There are risks and costs to action. But they are far less than the long range risks of comfortable inaction."

In the past week alone, I have met with three different individuals. In each case, our conversation can be summed up as follows:

Jackie: *If you were to have a health event or long-term care event, have you considered how you would pay for care or what your care plan would be?*

Client: *Oh no. I don't really want to get into that. I plan to stay in my home. I'm never going to a nursing home.*

Jackie: *Sure, I understand that, but if that's your wish, you are the best person to be an advocate for yourself and put together a plan that reflects your care wishes and contains a plan for how to pay for in-home care.*

Client: *Well, for now my plan is to just take care of myself and hope for the best.*

(Or a common alternate response is some vague statement or reference to "just take me out in the woods and shoot me" or similar, to which I then regularly have to remind people that: (1) That's not realistic because if you're incapacitated you won't have the wherewithal to do it; and (2) it's illegal.)

The reality is that these are all avoidance mechanisms. Most people can't imagine themselves having a major medical event or needing long-term care. Or, they are superstitious and think that just by talking about it, it will make it so (the same way many people avoid estate planning or life insurance because they think it means they're going to die... Newsflash: we're all going to die someday!).

Having worked with many clients and families during times of crisis, here's what I wish more people understood: Not having a long-term care plan increases the likelihood that you will end up in a nursing home or assisted living facility. And in some cases it's unavoidable--either for your safety or for the safety of those around you. (I know someone who had her mother with Alzheimer's move in with her. One night she woke up to her mother standing over her holding a butcher's knife because Mom was confused and thought her daughter was an intruder.)

Failing to have a plan also places tremendous stress and financial burden on your family. One study found that caregivers have a 63% higher mortality rate than non-caregivers. Another study reported that 40% of Alzheimer's caregivers die from stress-related disorders before the patient dies. A MetLife study found that the average total financial impact to a family caregiver is \$303,880 between lost wages, lost Social Security and pension benefits (due to the lost wages and years out of the workforce), and out-of-pocket expenses.

So at the very least, if you won't make the decision for yourself, do it for those you love. As the holiday season approaches, I implore you: One of the greatest gifts you can give yourself and your family is a real plan. Now is a great time to get started so you'll be able to complete your planning with your family before the end of the year and head into the holidays feeling comfortable and secure. Plus, it gives you the option of reviewing your plan with your loved ones over the holidays.

In the words of our Founding Father, Benjamin Franklin (a popular guy around here lately), "By failing to prepare, you are preparing to fail." **We're coming up on your last chance to get your planning done before the end of the year.** We'd love to help you obtain peace of mind and build a more secure future by building a plan for a better life. To get started, give us a call at 919-443-3035.

*I believe strongly in practicing what we preach. Just as we advocate that our clients have an experienced professional guide and mentor them during the planning process, we have our own guides and mentors to help us to continue to grow as leaders in our community and to help us continue to provide a first-class experience for our clients.

Jackie



Charcuterie 101:

Entertaining this holiday season? Here are 4 simple steps to a deliciously impressive cheese board.

- 1** Snag a large cutting board, slate board or rimmed baking sheet to display your creation. Add some cheese! In selecting cheese, consider choosing a hard cheese (like a nutty aged Cheddar), a creamy cheese (like Brie or Camembert), a soft cheese (consider a log of goat cheese rolled in fresh herbs or a fruit chutney) and a tangy cheese (Bleu or Gorgonzola).
- 2** Add some meat. If you can't find a 3 pack of charcuterie meats (the holy grail of cheese board making), snag 3 oz of several of your favorite deli meats, sliced very thin. Add a hard salami to step up your game.
- 3** Add assorted crackers, a fresh baguette, fruits (fresh figs, berries, apple slices and dried apricots are great choices) and veggies (cucumber slices, roasted red peppers, colorful mini heirloom tomatoes). Think colorful, delicious and bite-sized.
- 4** Accessorize! Fill in your board with sprigs of fresh rosemary and nuts. Pistachios and candied walnuts or pecans are particularly wonderful on a cheeseboard. Pair with wine and serve. Get ready to receive profuse compliments!

WELCOME Baby Justice!



**Justice Devon
Garris**
Born October 12
6 lbs, 13 oz
19.5 inches

Congratulations to Mom Keshonda,
Dad Devon, and Sister Journi!

.....
It's time for CFEP'S
Annual Toy Drive!



*If you want to join us in
helping families in need,
bring a new, unwrapped toy
to the CFEP Office
9am-5pm Monday-Friday
on or before December 15.*

Planning for the Second Half of Life in These
Political and Economic Times...

11 Threats to You, Your Family, and Your Assets

AT THIS SEMINAR, HERE'S SOME OF WHAT YOU WILL DISCOVER:

- How to avoid the common mistakes Baby Boomers make when planning for the second half of life.
- How to avoid having your life savings or retirement plans wiped out by the cost of care as you get older.
- Uncover the secret sources of paying for long-term care costs that may lie hidden in your retirement plan.
- Important differences between Estate Planning and Long-Term Care Planning and how they coordinate.
- How to care for yourself and your spouse and how to maximize the assets you leave to your children...plus how to protect their inheritance from divorce, less-than-trustworthy spouses, creditors, and other wealth wasters.

Upcoming Free Seminars (RSVP Required):

Wednesday, December 4 10 am • Thursday, December 12 6:30 pm

Register by Phone: **919-694-4437** or at **seminars.carolinafep.com**

*Can't attend? Call us! Additional dates may be offered upon demand.
We'll keep you apprised of future offerings or other resources to assist you.*

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Thank-yous

CFEP
is a finalist!

love us? Let the Triangle know!

VOTE for CFEP in the
WRAL Voter's Choice Awards!

<https://tinyurl.com/r5fy34v>

Vote for Us!



thank you

For introducing your Friends and Family to Carolina Family Estate Planning!

We're devoted to delivering first-class service to our clients. As a result, our valued clients, partners, and friends refer their friends, family, and associates to us.

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Terry & Beverly Allen

Alzheimers North Carolina

Cary Senior Center

Rishi Chakraborty

Coastal Wealth Management

Diane & James Daggerhart

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