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Portland wealth advisers on estate planning through all your decades

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An interview with Heather Kmetz and other Portland-based financial experts.

Kathleen Kee admits that estate planning isn't necessarily fun.

Kee, senior wealth adviser at Portland's Focus Partners/Wealth, says the pandemic prompted many to think about the future. Still, she notes that a recent Caring.com survey revealed that only about a third of Americans have estate planning documents.

Simply put, "estate planning is a process to ensure your wishes are respected," Kee says. "(But) it's not something that a person looks forward to doing."

Today, political and economic uncertainty make estate planning more important than ever. Volatile markets, shifting tax laws, and questions about the long-term stability of programs such as Social Security and Medicare have many people rethinking their financial strategies.

At its core, estate planning involves a common set of documents Kee says everyone should have: a will detailing how your assets should be distributed; a person that can make financial decisions for you if you're unable; and someone who can make health care decisions for you if you become incapacitated. Above all, avoid probate.

"Everyone knows of a bad estate planning story," Kee says. "And they are preventable. The process is not hard, and once completed, people feel so relieved."

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The Portland Business Journal asked three Portland-based financial experts to weigh in on the best estate planning strategies for people in certain ages groups (20s through 60s). They are:

- Kathleen Kee.
- **Heather A. Kmetz**, tax partner, business group, at Sussman Shank LLP.
- Kim Rosenberg, team lead and wealth manager at Coldstream Wealth Management.

In Your 20s

Kim Rosenberg: In your 20s, estate planning is about laying a foundation. Even if you're early in your career, you the need key documents in place. If you have a retirement plan and/or life insurance through work, update beneficiaries. Starting early reduces stress later and makes future planning easier as your wealth grows.

Kathleen Kee: This age group may be more adventurous and participate in activities where accidents may be more frequent. It is always necessary to have advanced health care directives because one never knows when accidents happen. This can be a one-page form you complete at the doctor's office, or a form one can access online.

Be sure to have a beneficiary named in your retirement plans. Consider digital assets. This is not just online reward programs, but also digital collections such as music, photographs, NFTs, videos and blogs. This is especially important if one is an influencer or holds crypto currency. There may be value in these assets to protect or to pass to someone.

Heather Kmetz: Twenty-year olds feel themselves to be somewhat invincible. That's a really great time to start estate planning because you can think about it a little more objectively. For many people, it's the first time they're considering what's important. Who do I care about in my life? Who's depending on me? What charities might be important to me?

You might just out of the gate start with a grantor revocable trust, sort of a garden variety estate planning trust, not necessarily anything with super bells and whistles yet. It's just something to get you going that would avoid probate and sort of streamline management of your assets for your lifetime if something were to happen to you.

Your future self will also always appreciate it the earlier you put money into those 401k plans. If you can, get your full amount of deferral into a Roth. You're not really going to miss that much of that income tax deduction, especially in your 20s, where it's not worth that much.

In Your 30s

Kee: A will becomes priority once children (sometimes pets) enter the picture. In addition to the distribution of assets, naming a guardian to take care of and raise your children, as well as who should manage the finances, are critical decisions. The financial manager may not be the ideal guardian. Separating out these two responsibilities might be advantageous. This is an important time to discuss how life insurance might be helpful in protecting your family.

Kmetz: Usually when people are just coming to me in their 30s, it's that first kid that sort of triggered it. They have someone who relies on them, and they know they're supposed to do something, but don't know what. Frankly, the person who might be willing, and who you would want to help take over in raising your child if you weren't able to do it, is not necessarily the same person who might be able to manage the financial aspects. That's where the level of fiduciary sometimes become a little more diversified.

Maybe my health care people are different than my financial people. And who am I looking to for that differential? It's also a time that I suggest that people get life insurance. Even if you don't have children, a lot of times this is when people first buy a house, and if you were to suddenly become disabled you wouldn't want to lose the house.

Rosenberg: By your 30s, life often includes marriage, kids, and increased assets. Now is the time to create a comprehensive will that names guardians for minor children and establishes trusts, if needed, to manage their inheritance. Make sure your beneficiaries are up to date on retirement accounts and life insurance policies. Consider term life insurance to protect your family's financial stability. Start discussing long-term goals with an estate planning attorney — early decisions now can prevent costly complications later.

In Your 40s

Kmetz: The 40s is sort of a time to hold steady and don't give up the fight. If they had student loans, they've usually wrapped that up. They may be looking at getting a vacation home. Hopefully they're maxing out their retirement contributions. If they didn't already set up contributions to a 529 college plan for any children, sometimes they're making up for lost time. They're trying to double down because they suddenly realize they don't have the time they once did. You might be building a business at that point. It's a good idea to make sure you have designated beneficiaries for every benefit you have.

I generally also ask (clients) about their parents' planning. If we anticipate what their parents' planning is, we can often do better. And parents may have done planning where people in their 40s are going to inherit something. It's also sometimes an opportunity for the kid to realize if the parent has wealth or doesn't. What's that safety net going to be?

Rosenberg: Your 40s are a crucial time to fine-tune your estate plan as your wealth and responsibilities grow. Ensure your will, trusts, and beneficiary designations reflect your current wishes. Consider creating or updating a revocable living trust to streamline asset distribution and avoid probate. If you have children heading to college or adult children, ensure powers of attorney are in place for them, too. Reassess your life insurance coverage to protect your family's lifestyle and long-term goals. Start legacy planning, thinking about charitable giving, and discussing your wishes with family to prevent confusion down the road.

Kee: This may be a suitable time to begin age-appropriate conversations with children about money, finances and estate planning topics. I recall the times when I was young that my elderly aunts and uncles would visit and discuss together the best ways they hoped to die and what they wanted to happen. This was extremely upsetting to me as a young child, but later, as an adult, I began to appreciate that they were sharing their wishes (albeit verbally) with their siblings. Some high-level discussions would have made this situation less shocking and traumatic.

In Your 50s

Rosenberg: The estate planning focus shifts to preserving wealth and ensuring a smooth transfer to the next generation. Review and update your will, trusts, and powers of attorney regularly. Evaluate long-term care insurance to protect assets from potential health care costs. Work with an adviser to develop tax-efficient gifting strategies, including annual exclusion gifts or funding 529 plans for grandchildren. Review your retirement accounts and Required Minimum Distribution (RMD) plans. Consider advanced estate strategies, like irrevocable trusts or charitable remainder trusts, to minimize estate taxes and leave a lasting legacy. Open communication with heirs is key at this stage.

Kee: Commonly in this age group estate planning becomes slightly more sophisticated as more considerations and deliberations are considered. Having an estate planning attorney help you at this stage is recommended. They can counsel clients on titling issues, shared ownership of property, blended families, a concerning family member, business partners/dealings and estate taxes. Perhaps trusts would be advantageous for one's estate planning.

As children become adults and head off to school or move out on their own, having children sign medical releases (HIPPA releases) and appointing parents as their health care agent would be a good idea. There is nothing worse than having your child be in an accident, only to be told by the hospital that they cannot release information about the status of your child's situation to you.

As one considers second marriages — or their children are contemplating marriage — discussions about all things money should be encouraged. Discussions about prenuptial and cohabitation agreements are becoming more common. Many parents are making it a requirement in their estate documents that their children will have signed prenuptial or post-nuptial agreements before receiving any inheritance.

A power of attorney is so important during this time. There are a number of situations where both parties need to sign a financial transaction but one is not available.

Kmetz: This is when people are usually at their highest earning potential. Hopefully your kids have graduated college, which is like the biggest raise you're going to get because you'll stop paying tuition. You'll also have the opportunity to start looking toward retirement. You really need to be maxing out into your qualified plan account, making sure the deferral side is fully Roth. You get your bonus deferral after 50, so take full advantage of that and then start looking ahead. You effectively have two decades of extra time to recognize that growth.

In Your 60s

Kee: With assets approaching their highest values, seniors have a clearer vision about provisions they need to consider for their family and their focus becomes more about protecting their assets. Discussions about their own physical and mental capacity, how they will live, and where they will live, are common conversations. Should their personal representative, the person that administratively works through the estate plans with an attorney, be their child? Who should oversee their finances if they are not able to manage the finances themselves? The estate planning attorney can provide alternatives and options for these situations.

When there are no children, naming representatives for your estate planning documents becomes even more difficult. Often their friends are the same age as them and there are no relatives that they feel are appropriate. They should explore independent trustees to find one that fits their needs.

Rosenberg: Your 60s are about solidifying your legacy and preparing for potential health challenges. Finalize your will, revocable living trust, and ensure powers of attorney and health care directives are current. Evaluate long-term care options and confirm beneficiary designations on retirement accounts and life insurance. Start planning for RMDs and explore Qualified Charitable Distributions (QCDs) for tax-efficient giving. If you haven't already, discuss your wishes with family to avoid future disputes. Consider gifting strategies to reduce your taxable estate and ensure that assets transfer smoothly to the next generation.

Kmetz: Assess your financial situation. This should be a life well lived. You're almost over the finish line. If you have not already transferred your planning to trust-based planning, this is when you really should do that. Make sure you're taking full advantage of all marital-deduction opportunities. Make sure that each spouse has sufficient wealth to use their state exemption. I can't tell you how many times I have people where one person was maybe a stay-at-home spouse and one person was a working spouse, and if you have the non-wealthy spouse die first, you're giving away the state estate-tax exemption that the surviving spouse can't get back.

For people that have grown their own businesses, seriously start looking at business succession planning. There's lots of planning opportunities in the 60s.

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