

**July
2024 Issue**

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OFFICE LOCATIONS Multiple office locations for your convenience. **UPCOMING SEMINARS & WEBINARS**

- Virginia Beach (Main Office)**
500 Viking Drive, Suite 202
- Norfolk Office**
319 W. 21st St., Suite B
- Suffolk Office**
3345 Bridge Road, Suite 916

Give us a call!
Phone: 757-530-7011
Fax: 757-233-3600
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Hours: 9:00-5:00 M-Th, 9:00-12:00 F



7 Secrets You Need to Know to Protect Your Home, Assets, and Your Family from the Costs of Long Term Care
Tuesday, August 20th at 12:00pm
Plan Now to Protect Your Loved Ones
Wednesday, August 28th at 2:00pm



Why Wills are Obsolete
Thursday, August 8th at 2:00pm
Why Wills are Obsolete
Thursday, September 5th at 11:00am



Important Things to Know About Life Insurance to Enhance Your Estate Plan

Creative Uses for Life Insurance

A new study by LIMRA and Life Happens reveals a record 102 million Americans are either uninsured or underinsured when it comes to life insurance. Misunderstandings about cost and coverage types are significant barriers, and even those with insurance often miss out on its full potential in financial and estate planning.

Types of Life Insurance for Estate Planning

Term Life Insurance: Provides coverage for a specific period (10-30 years). If the policyholder dies during this term, the policy pays a death benefit.

Permanent Life Insurance: Offers lifelong coverage and accumulates cash value over time. Both types come with variations to meet specific needs, such as policies for loan coverage, final expenses, and those insuring two lives (first-to-die and second-to-die policies).

Life Insurance Perks You Might Not Know About

While life insurance is commonly purchased to support financial dependents, it can also offer numerous additional benefits for various life situations:

Funding a Trust: Life insurance can be an excellent way to fund a trust, which can be used for dependents who need ongoing support, educational expenses, or other unique family needs, such as care for a special needs child, blended families, or even pets. Naming a trust as the beneficiary allows for the money to be used under specific terms and can avoid probate, potentially reducing estate taxes in some cases.

Paying Taxes and Debts: Life insurance can cover estate taxes, creditor claims, and income taxes due at death, helping to preserve the estate's assets by eliminating the need to sell off properties or liquidate investments.

Equalizing Inheritances: It can be used to balance the value of inheritances among heirs, especially when you want to retain certain assets like a family business or home for one heir. For example, if one child wishes to keep the family vacation home and another prefers to sell it, life insurance can be used to compensate the latter by providing an equivalent amount of cash.

Making Philanthropic Donations: Life insurance policies can be structured to benefit charities or nonprofit organizations. Before doing so, ensure compliance with the organization's requirements and any relevant procedures.

Paying Final Expenses: With funeral and burial costs averaging \$8,000 to \$10,000, and many facing medical debt at death, final expense life insurance can cover these end-of-life costs.

Integrating Life Insurance into Your Estate Plan

Life insurance enhances estate planning by providing a safety net for both anticipated and unforeseen expenses. It offers flexibility to address various financial needs and goals, making it a valuable tool for individuals at any life stage. For those among the 102 million Americans facing a life insurance coverage gap, incorporating life insurance into an estate plan is essential.

To develop a life insurance strategy that aligns with your needs, consult with experienced attorneys who can help you craft a plan tailored to your specific situation and budget. Schedule a meeting to explore how life insurance can strengthen your estate plan and provide peace of mind for you and your loved ones. For personalized guidance, reach out to our attorneys to discuss your life insurance options and ensure your estate plan effectively supports your future financial goals.

Estate Planning Lessons We Can Learn from The Rich and Famous

Gloria Vanderbilt: No Trust Fund Kids for Her

As we face “The Greatest Wealth Transfer in History,” with \$84 trillion set to pass from baby boomers to younger generations, many parents grapple with whether an inheritance will benefit or hinder their children's success. Gloria Vanderbilt famously opposed trust funds for her kids, a stance her son Anderson Cooper has publicly supported.

Vanderbilt Heiress and Her "No Trust Fund" Stance

Gloria Vanderbilt, heiress to a significant fortune from her great-great-grandfather Cornelius Vanderbilt, made a firm decision before her death in 2019: her three children would not receive trust funds. Despite inheriting a substantial trust herself in 1925, Gloria built her own fortune through a successful career as a fashion designer, actress, model, and artist, establishing a denim business worth around \$100 million. In a 1985 interview, she stated, “The money I've made has a reality to me that inherited money doesn't have.” Her son Anderson Cooper echoed her sentiments, calling inherited wealth a “curse” and an “initiative sucker.” Cooper, who earned substantial wealth through his career as a CNN news anchor, received only \$1.5 million from his mother's estate, reinforcing his belief in the value of self-earned success.

The Debate Over Leaving Inheritances

A trend among the super-rich is emerging: many, like Mick Jagger, Warren Buffet, Mark Zuckerberg, and Bill Gates, are choosing to donate their fortunes to charity rather than leaving them to their children. Guy Fieri, Jackie Chan, and Andrew Lloyd Webber have similar philosophies, requiring their children to prove themselves before inheriting.

Research supports this approach. The Williams Group found that 70% of wealthy families lose their wealth by the second generation, and 90% by the third. A U.S. Trust survey revealed only 42% of high-net-worth individuals believe the next generation can responsibly handle an inheritance.

The Vanderbilt family illustrates the potential benefits of limiting inheritances. Gloria's success, despite receiving a trust, and Anderson Cooper's achievements without reliance on inherited wealth, suggest that personal drive can be a stronger motivator than financial support.

Lessons and Alternatives

A significant reason family fortunes dwindle is the lack of clear instructions or restrictions on inheritance use. Estate planning tools like trusts can guide how and when money is used, reinforcing good financial habits and responsibility.

While having a trust fund doesn't ensure success, and not leaving an inheritance can motivate self-reliance, what's best varies among individuals. Some children thrive with unrestricted inheritances, while others benefit from structured financial support.

Alternatively, gifting money during your lifetime allows you to observe and guide its use. In 2024, you can gift up to \$18,000 per recipient tax-free, with a lifetime exclusion of \$13.61 million, which doubles for couples.

Conclusion

Intergenerational wealth-building and estate planning are crucial for ensuring the financial well-being of heirs. Each family's approach should reflect their unique values and the individual needs of their children. For personalized advice and to create a plan tailored to your family's circumstances, consult with our attorneys and schedule a meeting.

Lemon Orzo Salad tasteofhome.com

Ingredients

- 1 box of Orzo pasta
- Cherry tomatoes
- Artichoke hearts
- Spinach
- Green onions
- Feta cheese
- Capers

Dressing:

- Olive oil
- Lemon juice
- Tarragon
- Lemon zest
- Rice vinegar



Directions

Step 1: Cook the orzo

Cook the orzo according to the package instructions. Similar to pasta, orzo is cooked in boiling salted water until it's al dente, usually 9 to 11 minutes.

Step 2: Combine the salad ingredients

In a large bowl, combine the tomatoes, artichokes, spinach, onions, cheese and capers.

Step 3: Make the dressing

In a smaller bowl, whisk together the olive oil, lemon juice, tarragon, lemon zest, vinegar, salt and pepper.

Step 4: Combine the orzo and vegetables

Once the orzo is cooked, drain it, rinse it under cold water and let it drain completely. Then add it to the vegetable mixture.

Step 5: Add the dressing

Pour the dressing over the salad, then toss everything to coat. Cover the bowl or transfer the salad to an air-tight container to chill until it's time to serve.