

In Estate Planning, Family Isn't Always First

By CAITLIN KELLY

WHETHER it's treasured pearl earrings or a vintage camera, a house or what's left of your life savings, deciding who should inherit your worldly goods means making sometimes wrenching choices. For older people without children, stepchildren or grandchildren, the decision can be even more complex.

The need to create a trust or focus on planned giving is a generational shift, says Bob Carter, chairman of the board of the Association of Fundraising Professionals.

"Our family didn't think of anything but leaving everything to us. The concept of estate planning didn't exist in my parents' lives," said Mr. Carter, who has 40 years' experience as a consultant in philanthropy and fund-raising.

Today, with smaller families and more women choosing not to have children, "the dynamic has changed pretty significantly for the generation of baby boomers. The option of doing something charitably significant with their estates is a change," he said.

"This situation is more and more prevalent," agrees Kevin Pickett, executive director of development at MD Anderson Cancer Center in Houston.

"Many people come to us to make a donation as a life stage decision," Mr. Pickett adds.

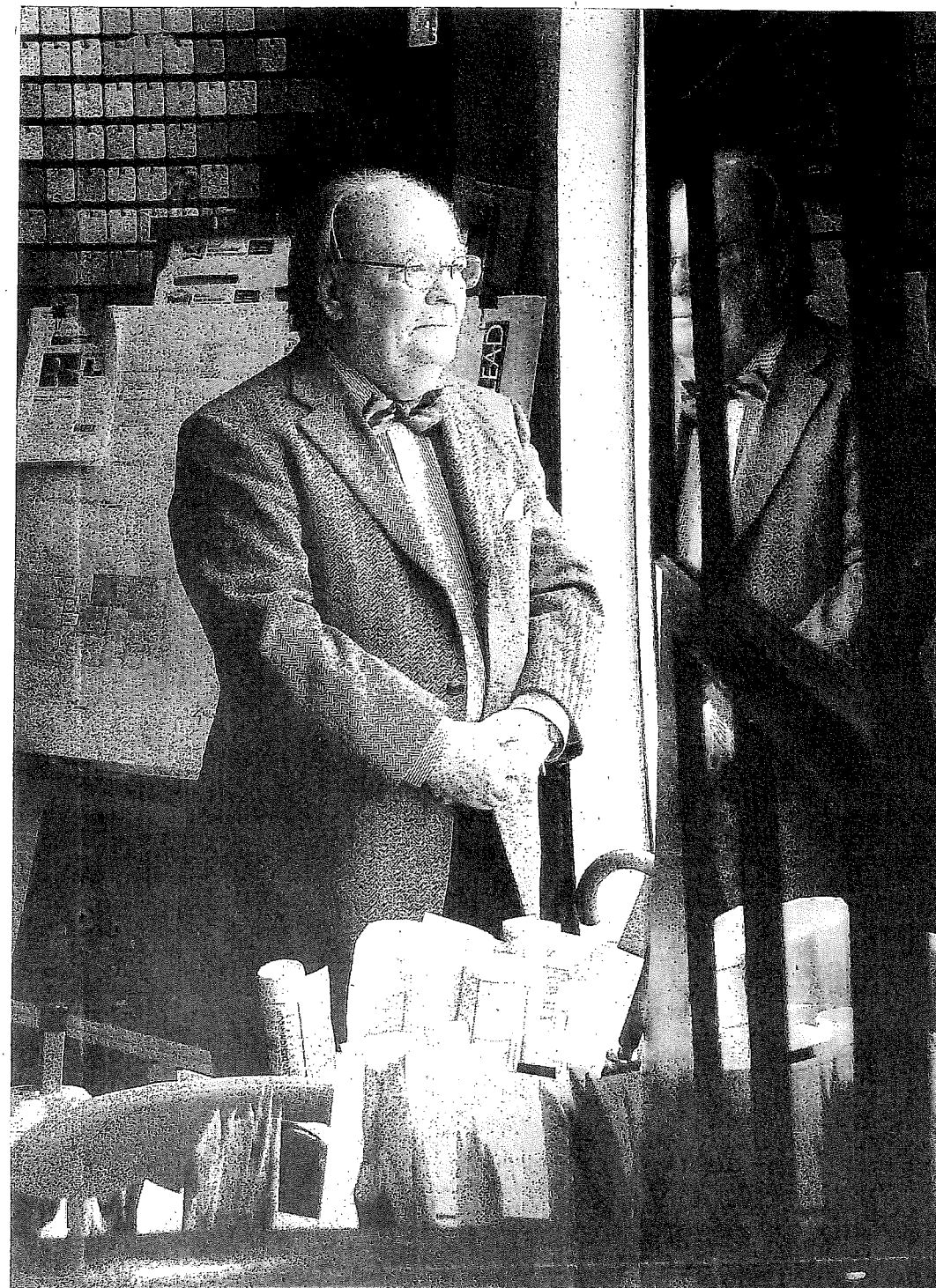
"They've had a cancer diagnosis, or a friend or family member has. A retirement, divorce or new job can also prompt people to reflect on their legacy. What are we going to do with all this stuff we've accumulated in our lifetime?"

The decision-making process should begin with some philosophical questions, said Isabel Miranda, a partner in the Bloomfield, N.J., law firm Pearlman & Miranda. Ms. Miranda, a former bank trust officer, now specializes in helping clients plan their wills, trusts and estates.

"Who do I owe my success to? What values do I want to reflect? How do I want to pay back the organizations I believe in?" she said.

For Patty Bennett-Uffelman, who retired to Charleston, S.C., at 45 after selling her software business, it means planned gifts to the same organizations and institutions to which she now donates.

"We're splitting our estate. Fifty percent will go to our grandniece, with a bit to my sisters if they need it, and the other 50 percent will go to five or six charities," says Ms. Bennett-Uffelman,



Laura Pedrick for The New York Times

Lee C. Olsen, an architect in Reading, Pa., and his wife will leave their assets to a drug and alcohol rehabilitation center.

who is now 64. These include Planned Parenthood and the Nature Conservancy. "I've looked for organizations that act, that work on the front end of problems, not the back end."

She suggests paying close attention to a few charities, developing relationships with them and watching how they handle

their funds over a number of years and your donations before making any final decisions. "What sort of communications do they send you? If you increase your gift, how do they handle that?"

For Lee C. Olsen, an architect in Reading, Pa., the decision was easy. He and his wife will leave

their assets to the Caron Foundation, a local drug and alcohol rehabilitation center, to endow a scholarship for patients who could not otherwise afford treatment. Their gift also includes artwork worth \$25,000 to \$35,000.

Mr. Olsen knows the organization well, having sat on its board for seven years and having

served as its corporate director of facilities for four years.

But his choice is also deeply personal: "It saved my life." A former alcoholic, he spent 28 days there in 1983 and 1984. In gratitude, he and his wife created the general scholarship fund, without their names on it. "We know what we've done, and that's important," he says.

Even those who do have children may decide to leave their estate to others. Mr. Carter said: "My wife and I are planning to give everything away. My kids are O.K." Too often, he says, anticipating inherited wealth cre-

Some choose to leave a legacy to a cause or a passion.

ates fighting within the family or can kill or inhibit adult children's ambitions.

For some gay couples without children, creating a legacy is essential, both emotionally and practically.

"As a gay man, we were just wired for philanthropy because that's what would save us and our friends' lives," says Greg Gilbert, a fund-raiser in Washington. "In the 1980s and 1990s, that was where all our money went."

Today, Mr. Gilbert and his husband have focused their current and future giving on two important values — opportunity and equality — and have created and raised funds for a local literacy program for low-income children, the Sitar Arts Center. The after-school program now offers more than 70 courses.

They wrote a will 13 years ago, prompted by an overseas trip, and updated it when then they married three years ago. "We've added some organizations and taken some away," he says. "We're very generous people when we're alive and we want to have a more impactful gift when we don't need it any longer."

In addition to a favorite charity, religious institution or alma mater, bequests can also include neighbors, colleagues, former students, friends and relatives. "I call them 'families of affinity,'" says Ms. Miranda, the lawyer. "They might be your best friend's children or your best friend at work. The people who are good to you in your life might

be your friends, not your family."

"I'm planning on leaving most of my estate to my nephew, who is currently 15," says Meredith Lesley, 58, a Lexington, Mass., resident who is divorced and has no children.

"Since I own a condo, I need to make a will, but haven't yet," says Ms. Lesley, who is a programmer creating web-based software. "I may leave a smallish portion to my longtime roommate, who is disabled and has nothing but his monthly disability check and no one else in his life. It's not a romantic relationship, but he's lived here for about 10 years. I also have to figure out what to do about my cat. And I have to think about my things: beads to a friend who is a crafter as well; books to my best friend; ceramics to him as well; electronics to my brother, my nephew's father."

"I should have a brief will dealing with my assets and not let the details get in the way," she adds. "But I haven't done it yet, because of a combination of inertia and denial, I guess. I suppose my brother is my next of kin, but I should formalize things."

Many Americans do not have a will, and postpone creating one, according to the Health and Retirement Study, a biennial survey of 26,000 people over the age of 50 supported by the National Institute on Aging and administered by the University of Michigan. According to David R. Weir, a co-director of the study, the younger the survey respondents, the fewer report having prepared wills. Even among those over the age of 75, only 75 percent have a will, the study's statistics show.

Making a will requires planning, says Ms. Miranda, including choosing an executor, ideally someone who really understands the responsibility involved in that role. "Find someone who is diligent. It's a pain of a job. It's such a record-keeping nightmare," she says. One effective way to make that job easier is to create, and keep updating, an easily accessible document of all your passwords, especially for bank accounts.

However you decide to donate your assets, "it's about legacy," says Mr. Pickett, the development director. "It's a move from success to significance. Your whole life you've probably been focused on your career and getting ahead. Estate planning is really reflecting on your legacy. What do you want to be remembered for?"