

The One Thing That Will Protect Your Loved Ones

Scott A. T: Broadcasting from one Dallas tower welcome to the financial rock star show. I am your host Scott Alan Turner ready to have you get out of it, save more money and retire early. In the studio with me producer filling in for Katie still. On the show today I'll be answering your question about money, business, and life. If a question you'd like answered on the show visit goaskscott.com. We need a voice mail.

Only fifty percent of Americans have a will yet one hundred percent of us are going to die. Do you have a will in place to organize the distribution of your money, assets, possessions, after you pass on. If not, you're not alone. ABC News reported recently that fifty percent of Americans have a will. Now why is that? Well, most of us we don't like discussing death. We don't like planning for death either, but if you don't your loved ones are going to have to deal with the legal impacts and it could leave them tearing their hair out. It's not uncommon for court battles regarding the possessions of a deceased person to drag on for years and it costs a lot of money in the process. A lot more money than you would spend getting a will ahead, prepared ahead of time. When you consider how easy and cheap it is to get a will these days isn't an excuse for not getting on it.

Let's look at the top reasons to get a will. If you're not yet convinced you need one, there are some things you're going to consider. First, funeral preferences. Are you nitpicky and you have specific wishes for how your funeral should be handled? Do you want to be cremated? Do you want to be buried? Do you want to be buried in the Cadillac of caskets or would you prefer a pine box like me? Do you even want a funeral? Best way of ensuring those wishes are honored is to put it all in the specifics in your will. What if you've got kids? If you've got minor children they need to be taken care of by somebody. They need to be brought up by somebody. It's important that you specify who you want that person to be. There are ways to ensure children go to the best caretakers even ways to protect your money so that it's your children who benefit. Rather than have the crazy grandmother who can't manage five dollars to her name blow the kid's inheritance, you want the good grandmother who is a little bit better than money to take care of them. Or the better sibling rather than the crazy one.

Don't get caught in the trap of a warning will because you don't know who will take the kids. It's not going to get any easier after you're dead. Well it will be easier for you because you'll be dead, but it's not going to be easy on the kids. What about pets? One of most common things that gets overlooked when somebody dies, where are the pets going? Makes sense when you're filling out a will specify who is going to get the pets. What person do you trust that can look after them. If you have a dog you don't mention them in the will, there is a possibility that dog ends up in the pound. That's not something that you want if you treat your pet as a family member. I have three couples in our will lined up to take the cats. One couple was not enough we've got to make sure there's a backup and then a back up to the backup just in cases. Got to make sure Jake and Riker are taken care of and they have enough money so they don't have to eat the cheap cat food. Actually that's not a provision in there. We're not giving money for the cats but some people do.

What about your division of your assets? Face that one it comes to dividing up money between family members. Some of them deserve to get a little more than others some of them don't really deserve to get any at all. Maybe you want your money to go to your spouse, maybe you want it to go to your children, a will lets you pick who the money goes to and in what quantity. You don't want the nasty ex-spouse showing up on the lawyer's doorstep or wherever it gets processed and say, "Some of that money is mine. Some of this money ..." "Well, you've got to put that will out there, get that taken care of. Without a will the court is going to decide who gets your money, who gets your assets. It could be somebody who you don't want to have your money and you don't want to have your assets. A wise man should have money in his head not in his heart. That's a quote from Jonathan Swift.

All right, hopefully you're convinced you need to get a will, get out of the fifty percent that doesn't. Where are you going to get it done and how much is it going to cost? Got several options for you. You don't have to pay outrageous lawyer fees. There are some inexpensive options. There lots of online software you can use. The cheapest way to get a will done nowadays is online. You go and get Legalzoom, eighty five bucks, pretty popular. Rocket Lawyer, that's free for the first seven days if you sign up and there's twenty bucks a month you get a will done there. One of the most popular ones is called the Nolo Quicken Willmaker Plus. Just get on Amazon and Google Will maker. It's thirty nine bucks for the book and the software. You can also go to the Nolo website all these things have Nolo website directly and there's an online will wizard that you walk through at thirty four ninety nine. You do the whole thing online.

Will maker is probably the most popular one because it's simple, very interactive, walks you through the steps. It has options you get to customize it up to a certain point the biggest limitation with software is you don't get down into the details of everything. Sometimes the devil's in the details, but they're cheap, they're quick, if you have a normal life you don't have a ton of things going on, simple family structure not a case where her kids and then my kids and then our kids where you've got all these different relationships that have happened. What else? You can call your county, every state has different laws and wills. You call your county local county office ask if they have a will creation assistance. Some of them have information, some of them have form templates you can fill out.

If you've got insurance through your automobile, through your homeowner call up your insurance company and see if they offer will making services. Sometimes they give you good a little deal for doing an extra business with them. Even if they give you a template, it cuts down on the time and the money they are going to spend with a lawyer to go over thing. They don't have to create everything from scratch. Not every insurance company has this. You just need to call them up and ask. If you are expecting to give away a large portion of your wealth that will be accumulated to a specific charity or example, call the charity. Some of them have legal teams, legal arrangements with people and staff. You can borrow their lawyer, get them to draw up the will and they'll help you out because in return they're expecting to get a donation from you when you get dead.

Any of those options they'll save you money when you create a will. There's no reason to be paying a premium when there's so many cheap options to do. You can also ... The most expensive option is look at a local attorney. If you've got a complicated life, you do things like own different types of properties. You've got rental properties in multiple states, you own a business. You likely have to have an experienced attorney working your will, your estate plan. The people who draw up these wills are called estate and will attorneys. Imagine that. Don't just pick the one that lives closest to you. Do a little research, read some reviews, call ahead, see what they're going to charge you, negotiate. We negotiated with our lawyer who wrote up our will when we got to Texas. Also check the website martindale.com. That's a peer review website where attorneys review other attorneys.

Who needs a will? Well, if you've got assets, children, pets, a spouse. If you're single you're broke you have no possessions just a backpack as you travel the world, you don't care if you're buried overseas in a cardboard box or they just to throw you into the ocean off the cruise liner or over the cliff whatever. You can save the forty bucks, but anybody else a will is going to be helpful to you. You're going to be a financial rockstar. You've got to manage money throughout your life. Don't forget to plan for the end of the tour. Jods, J-O-D-S had a comment on a previous episode why leasing a car is terrible for your finances. Kind of was easier said than done.

Jods: Some people just don't have the background to save money coming out of college or even in high school. To say just buy with cash is missing the point that most people don't have the money to do just that and it neglects a lot of variables. I agree with not leasing buy used definitely. Yes I completely agree that a lot of people they don't have the money back ... I don't have the money background. Coming out of school to know that purchasing a new car is

going to set you back for a very long time and saving up for cash is or can be quite difficult in order to buy a vehicle. However I also think a lot of people even after they have accumulated that knowledge they use that as an excuse to continue to buy new vehicles. Or will never be able to save up enough. "I'm never going to be able to save up about thirty thousand dollars for a new car," or "Yeah because it's thirty thousand dollars and that's a lot of money." You don't need to get a thirty thousand dollar car either. You can save up five.

Scott A. T.: I've known people who believe that you can't get a good car for less than thirty thousand dollars. For somebody who's in that camp and believes that, probably always you're going to have a car payment because the cycle is, buy a car drive it for three four. All we think it's going to break down, "It's three or four years old, might break down on the side of the highway, better get a new car." Then we start the cycle, trade it in, get another car, brand new one. Drive it for three, four years keep on going, keep on going, keep on going. Always have a car payment for decades. Average car payments for one hundred dollars a month, if you finance a five thousand dollars car you can have it paid for in a year and then over the course of the next year you can save up another five thousand dollars, so that if your car breaks you can go out pay for one, buy for one in cash for another five grand. Or if it doesn't break down, you can keep saving that four hundred dollars a month and buy something even better when the time comes. That's how you break the cycle. That works. That's feasible for anyone.

Ellen from France asks how to start a blog. She says,

Ellen: "I'm a woman who just changed my life. I live in France because of my health and I can't work at an office as I used to. I decided research about making money from home. I'd like to create a blog on my home and write about the things I've seen and know. I want to create some things but I need to have someone interested in my idea. I believe words are possible and that is where I plan to start." Well, Jake the cat in the background says, "Welcome to the show Ellen." That's Jake's advice, to bring your cat to work day on the Scott Allen Turner Show. France another pin in the map so happy to have you Ellen ask your question to me.

Scott A. T.: On scottallenturner.com I have a new training video and step by step instructions on how to start a blog in fifteen minutes. If that's something you'd like to check out because you're clearly interested in starting a blog. Top bloggers which is ... This is a crazy numbers can make six figures a year. Six figures a year blogging. There are a lot of people doing this so it's a great way to make money from home. Well, how do they make all these money if there's a lot of different components to it? You can make money through advertising, sponsorships, coaching if you want to coach other people after you get your expertise level up. Teaching online courses, referral links and affiliate links to other products, recommending products. There's as a lot of things that go around blogging which allow you to earn extra income.

One of my favorite ones is called pinch of yum. That's a cooking website. You go to this website, awesome pictures. The food looks amazing and what are they doing? They're selling a course on how to take pictures of food. How to take a picture of food and then built a course on this. What a great idea. They taught themselves photography, they focused on an underserved area, taking pictures of food because on Pinterest lot of pictures of food in the pans with ... Those clicks are the ones that are well taken pictures of delicious looking food. They created this course and they sell it.

Lindsay and Bjork there over at a pinch of yum, that's their website made over fifty thousand dollars last month. Last month. That's one month, over fifty thousand dollars. That is sick and they're just cooking and blogging about food. Now what the brain does it says, "Oh fifty thousand dollars, if can just make ten percent of that, that's five grand, or even one percent of that that's five hundred dollars extra a month. Wow that is doable." Yeah sure it is so go brain go. Blogging it's kind of like investing and saving. It's get rich slowly not get rich quick. It can take years to

turn a part time gig into your full time job and that's okay. If you love your topic, what you going to blog about, you just go for it. It's never going to be boring to you. If you don't like taking pictures of food I do not suggest you start a food blog or teaching people how to take pictures of food. You've just got to find out what your thing is. I love blogging about personal finance. I'm never going to get bored of it.

Ellen you can take any topic and if you have passion about it, that is going to come through, that is what is going to attract readers. If you don't believe me there's this show I used to watch on the Discovery Channel it's called the deadliest catch. In a nutshell, it's a fishing show. Even if you've never watched it, even if you had ... It's a fishing show. Guys are up in the Bering Sea up near Alaska out on boats and they're catching crab. In the way they've documented this stuff they make it look a very, very exciting. They're only showing the clips of the most exciting parts of this trip, that these guys are on. It's fishing. Another one, ice road truckers also discovery or History Channel I don't remember. These guys are driving an eighteen wheelers along an icy road and yet they've somehow managed to turn this into a great show that millions of people tune into. It's storytelling at its best and if you want to be a successful blog you've got to be a successful storyteller. Hardcore History, a very very popular podcast. It's history people. It's history, but a lot of people tune into the show because the podcast are doing ... It's great storyteller.

I got a D in history in college by the way but this guy he does very very well on his podcast. Visit that link on the show notes, I'll walk you through the steps to set up a blogging and get going and then you just start writing and you keep writing and you write and write and write and write and write. Your writing will get better and better over time and you can turn that into a money making career. There was a person once lived in a double wide trailer, drove a car, held together with wire and duct tape. His wife worked at Dunkin Donuts while he taught English at a private academy. To make ends meet during the summer when school wasn't in session he worked at an industrial laundromat and in the evenings he was a janitor and pumped gas. Not exactly glamorous. He had two young kids, no money and no time to write. He had to borrow a typewriter.

One day he got offered a promotion to work and he got really excited about the promotion as it is going to be extra few hundred dollars. His wife asked him, "Are you going to have time to write?" His reply was, "No, not much." Well' she convinced husband to turn down the job and keep writing, keep up the struggle that they were going through. A year later, his book after being rejected thirty times by publishers, finally got picked up and published. What was the book? Carrie. Who was the author? Stephen King. Greatest horror story writer of our time and probably ever. If you love to write never stop writing. Thanks Ellen please send me the link to your blog once you get it up running I'll be glad to check it out and give you some feedback on it to help you improve it.

Lagertha asks about paying off her home early. I think I pronounced that right. This is from anonymous so I pulled a name out of the Viking show. That's Ragnar Lothbrok's wife in the show, Lagertha or Lagertha, no idea. She says,

Lagertha:

"I've been listening your podcast and really enjoy it." Thank you so much. "Let me know if I'm crazy. I like my little house and yard. It is not in the best neighborhood though I bought it in 2008 and I'm upside down on it. Single, no kids, paid for a car, no school loans, I have a one year emergency fund saved, and I think I'm okay in my okay which is over one hundred twenty five grand. Plan I'm getting serious soon and putting a lot more into the traditionally I have another twenty years before retirement. In the emergency fund I have about twenty thousand in savings that I gained last year because my job over fifteen years is on shaky ground. As you can tell I've always had to look out for myself so I'm very careful with money.

I also work part time. Is this crazy? Should I pay down my house really fast knowing I won't get the money back if I

sell it down the line? I think I could pay it off in three and a half years if I stay focused. I've been in the house for nine years already. I doubt I'm going to moving anytime soon. The thought of a paid for house has me very excited and so much so that I'm afraid I'm not seeing straight. I was also thinking of stopping my for a short time during this process. Is it a good idea or not?" Debt free except for the mortgage, what should you do? Well because of your job situation I don't think I would make any serious financial moves until that gets worked out and it's solid. You said was on shaky ground you don't know what's going to go on in the future. I'd want that solid before making any serious decisions like dumping more into the house or maybe even dumping more into investments. One your emergency fund, is great. That is amazing, but me I'm a security freak and if I know my job is has got me weirding out then I want some options if on the odd chance I'm still out of work after twelve months because it does happen, people are out of work after twelve months.

Scott A. T.: You might find a job during that time that pays less quickly. Assuming your job ends, you're still employed right now. You might be in a temporary position but you don't know and that's the thing, you don't know. You've got to work around that not to knowing. Would I ditch the 40K? I'll probably get the company match right now. Again you're still employed, you're still employed you've got a big emergency fund but who knows what's up a month from now? You know your industry, you know your potential to get a job quickly or not depending on where you live and what the work climate is in that environment. If you are in say oil and gas which I don't know if you are in or not then I'd say chances are it's going to be a lot tougher to find a job in that industry compared to if your in Silicon Valley in IT. Much different climates. That's the first thing to look at.

What should you do about paying down the house quickly? I'd start with looking at the numbers and I will include a financial calculator in the show notes which is kind of ugly but it's a decent calculator and just run the numbers again with your specific situation. What is your loan balance? What is your current interest rate? What could be your expected rate of return over the next period of time? You're comparing three and a half years if you pay it off, but if you don't pay it off are you going to be investing for fifteen years? Which is a pretty long time and you could be kind of assured that you're going to get an average rate of return of the conserved seven percent, eight percent over that period of time compared to if it was just three and a half years or say five years. That might not be such a good assumption. Five years stock market could be down over those five years. Ten years could be down over ten years. Fifteen years generally going to be up. Is it going to be up more than the guaranteed interest rate of paying down your mortgage? Who can say? You're going to make a judgment call on that one.

If it's me I think I'm probably just going to stockpile cash until my job situation is worked out because I like that sense of security and cash makes me secure and you've already got all your other debts paid off except for the house. You can continue to pay your mortgage while you're going through this and wait and see what's up. If you end up working somewhere else and then after a period of three, four months you feel pretty stable on that position, you've got all these cash sitting over here beyond your twelve months emergency funds and you can just pick it up and throw it at your house or throw it in investments. Whatever you decide to do at that point where you have that option in order to do that. If you throw it all in the house that option goes away. You throw it all in investments right now the option may or may not be there depending if the stock market goes up or if it goes down or if you're putting it into retirement accounts probably the option is not going to be available to you because you're not going to be able to touch those without some sort of penalty. Thanks Lagertha for the question.

You could skip this commercial but you never know what kind of mischief we can get into. Back in a moment your host Scott Alan Turner. Hey this is Scott Alan Turner here. Now for those of you that are my longtime listeners, all fourteen of you, you know I'm not one of those guys on the radio who promotes every product that shows upon their desk and if you're a new listener well, I apologize on behalf of your friend who recommended you listen to this garbage. At least the cat appearance is entertaining unless you're dog person, then it's just another reason to unsubscribe. The tourism board of Andorra invites you to visit this tiny four hundred and sixty eight square

kilometer, independent principality situated between France and Spain in the Pyrenees Mountains. It's known for its ski resorts and a tax-haven status that encourages duty free shopping. You can also experience a delicious casserole that tastes of the high mountains. I guess it either tastes like snow or dirt depending on the time of year. Visit Andorra, tell them Scott Alan Turner sent you.

What are the best apps to make money off your extra space? Have you ever made money off your garage or is it just sitting there taking up a bunch of space? What about your kitchen or your driveway? If you own a house, you probably got rooms that aren't being utilized. You may have a driveway that's not being utilized. A roof top which is not being utilized. In today's sharing economy there are tons of extra ways to make money off that extra space in your home. Homes.com, they put together a cool infographic which will be in the show notes. I'm just going to rattle off a some of these as I'm looking through it.

We've got junk collector, collecting other people's junk that would normally get classified to you as a hoarder. Looks like you're basically turning your garage into your own public storage. That's one way to do it. Sitter central, everywhere she could play with dogs and get paid for a rover or let you do that. Also another site called urbansitter. Urbansitter is for kids. Car services, talked about lift before. Uber, but if you've got a big frontline you've got an extra garage space you can look at just park and park on my drive is another website. People who want to park their car temporarily or maybe for a long time. Maybe if there's a big event coming into town. The big game, the NASCAR race where people charge twenty bucks to park on their front lawn because of those. Offering a better breakfast services a B and B. Eat with, turns your kitchen into a four star restaurants as with this app you can connect with adventurous diners and invite them over to your home for a completely unique eating experience or maybe get you how to do this. As long as you're cooking, check out kitchit. Kitchit connects amateur chefs with people and businesses who need some inspired ideas for the next big party.

Study aids, students who need extra help. Let's see what we got here, cash in your laptop. If you're not using a laptop anymore. Bookscouter would do the same for old textbooks. Study pool that's equal and teaching money from the comfort of your home. Connect with students from all over the world looking for tutors. Finally the last one a solar saver if you want to turn your entire roof into a money maker sign up at a solar city. We have solar at the lake house someday I'll get into that, there are a lot of gotchas and solar. For now I'm going to say stay away from that till you've done a lot of research on it, topic for another day.

Adelore: Hey Scott. My mother is nearing sixty years old and called me recently to discuss how she can maximize what she will be leaving to myself and my sister upon her death. For a little background information, I'm in my late twenty's and have a pretty well put together life while my sister is in her early thirties is still struggling to let's say plan for the future. She is in a position where any income she receives would be taken from her for numerous legal in tax reasons. My mother wants everything to be split fifty, fifty between us. Reasonably so but she's concerned anything my sister receives would be taken away by the government. What is the best way you know of to avoid this scenario? My mother has a mix of life insurance policies, assets including home, and large amounts of land and other assets we didn't cover as much in our conversation. I told her I don't know a lot about that, but I know just the person to ask. Looking forward to your reply.

Scott A. T.: Well, a couple components to this. The first is if any one of owes any back taxes or money to the government, there is no protection from that. They are coming after you sooner or later. The government IRS they can take your money if it's in your account or they can throw you in jail if you're one of those anti-government types living in a compound somewhere in the Midwest then you just refuse to pay your taxes. Those options are always on the table for them, the IRS. If your sister receives part of the inheritance, if she receives none of the inheritance the IRS are still coming. What if your sister has outstanding debts, outstanding creditors, she owes people money too,

and they get wind she's coming into some money we need to keep our eyes open come knocking on the door or harassing her when the money comes or putting our lawsuit down at the courthouse so we can get a piece of that action.

You're going to want to look into hiring an estate planning attorney to look over your mother's situation. All of her assets and what is likely or might be necessary so you can both A; help your sister manage her finances and B; protect her half of the inheritance from creditors is setting up some type of trust. Specifically there's something out there called the spendthrift trust. Judging by the name of it you can kind of see what it's geared towards. It's for aging parents who have children who can't handle money. Or say they're lousy with money so they can set up this specific trust that controls when and how the assets get distributed. One of the benefits of this is it keeps the creditors away. These type of trusts they have an independent trustee which might be you or it could be some attorney if a parent is out there and they've got two three however many kids and they're all terrible with money, they're all bunch of spoiled brats, never learn about money. Whatever the situation may be, then that parent can go set up a trust, hire a lawyer to manage the whole thing for the benefits of the recipients. They cannot blow through all the money in the first thirty days.

Again the good thing, creditors they can't get into it. They can't get into the funds of the trust. The reason they can't do that because the beneficiaries of the inheritance they don't control the money, the trustee does. The fancy description here is; a spendthrift provision creates an irritable trust preventing creditors from attaching the interest of the beneficiary in the trust before that interest, cash, or property is actually distributed to him or her. However a spendthrift trust is not created unless the trust agreement contains express text. This is the creator intended for the trust, clear as. That was written by an attorney of course.

Let's say you've got one hundred thousand dollars your parents accumulated over the years you want to divide it by fifty percent. Fifty percent goes to you, fifty percent going to your sister you could set it up so that you get to distribute five ... If you were the trustee, if you want to take on that responsibility you could set up so your sister gets five thousand dollars once a year for ten years until the trust has run out of money. What you need is a good estate planning attorney. Especially with the assets you rattled off. If they can help you go through it check up all the boxes, make sure the beneficiaries are set up properly on the life insurance policies. You're going to want to get a will and probably one of these trusts in place so the assets are distributed and protected from creditors instead of just being blown on first class tickets to Mali by a sibling. Check out martindale.com that is a website where you can go and review lawyers and get a real lawyers review, other lawyers. Like a peer review website. You can find people that do this review their ratings and the ratings are based on other people who've had to deal with them before. It's probably one of the better websites out there to find legal services. Thanks for the question and good luck.

I've decided I'm going to make up my own quotes from now on. Not all the time just something I got on. Years from now these amazing quotes will be showing up on whatever the Instagram of the year 2020 will be. Or you're going to see them scrolling across a digital T Shirts as you walk down the street and say, "Hey I know the Joker that came up with that quote." Here we go, action is eloquence. I know Shakespeare, I found that on Google. Not anything I'm reading my free time, I'm not a Shakespeare reader. All right here it is, inaction is still an action, but your reaction will often be dissatisfaction. Boom, logic bomb. Those are the words. That's why I play guitar and I don't rock song lyrics. That's it for this episode. I'm your host Scott Alan Turner. I'm always making sure available on the show notes at scottalanturner.com if you have a question you'd like answered on the show goaskscott.com and leave a voicemail. Thanks for listening.