10 Estate Planning Mistakes

— and how to avoid them

The most common and costly errors that derail an estate plan — and what a well-built plan does instead.

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Why estate planning goes wrong

Most estate-planning failures don't come from bad intentions. They come from good plans that were never finished, never updated, or quietly undermined by a detail no one caught. The result is the same: probate, avoidable taxes, family friction, and assets that don't reach the people they were meant for.

The ten mistakes below are the ones that surface again and again. None is exotic; most are ordinary oversights. The good news is that every one of them is preventable with a plan that's built correctly and reviewed regularly. Read these as a checklist against your own situation.

MISTAKE 1

Having no plan at all

When someone dies without a will or estate plan, the state decides who gets what — through its own default rules, in open probate court. That means public proceedings, legal costs, delays that can stretch for months or longer, and an outcome that may bear little resemblance to what the person actually wanted. Dying without a plan doesn't mean your wishes are followed by default; it means a court applies a formula you never chose.

> **The fix: at minimum, a valid will — and for most families, a trust-based plan that keeps assets out of probate entirely.**

MISTAKE 2

Relying on mirror-image wills alone

Couples often sign nearly identical wills leaving everything to each other, then to the children. It feels complete, but simple reciprocal wills can leave assets exposed to probate at each death, complicate administration, and miss opportunities to reduce estate taxes that proper trust planning would capture. What looks like a matched set is often two incomplete plans.

> **The fix: coordinate the two plans deliberately, and consider trust structures that address taxes and protection, not just who inherits.**

MISTAKE 3

Letting the plan go stale

An estate plan is a snapshot of your life, your family, and the law on the day it was signed. All three change. Outdated documents can name the wrong people, conflict with current law, ignore assets acquired since, or leave bequests to people no longer in your life. A plan that was perfect a decade ago can be actively harmful today.

> **The fix: treat your plan as a living document. Major life or law changes should trigger a review — not a scramble years later.**

MISTAKE 4

Leaving assets to heirs outright

Handing assets directly to an heir — no strings, no structure — exposes that inheritance to risks the giver never intended: a beneficiary's divorce, lawsuit, creditors, or simple inexperience with money. Once assets pass outright, you've lost the ability to protect them. An inheritance meant to help can be lost to circumstances entirely outside your control.

> **The fix: leaving assets *in trust* for heirs, rather than outright, can shield them from divorce, creditors, and mismanagement while still benefiting the heir.**

MISTAKE 5

Leaning on joint ownership as a shortcut

Adding a child or other person as a joint owner is a common do-it-yourself 'estate plan.' It's fraught. Joint tenancy can forfeit valuable tax advantages (such as a step-up in basis), expose the asset to the co-owner's creditors and divorce, and — contrary to the intent — often only *delays* probate rather than avoiding it. A convenience move can create the very mess it was meant to prevent.

> **The fix: don't use joint ownership as a substitute for real planning. A trust usually accomplishes the goal without the side effects.**

MISTAKE 6

Skipping a trust when one would help

For many families, a properly designed trust is the difference between a private, efficient transfer and a public, taxable, court-supervised one. Not using a trust can mean missed asset protection, missed tax management, and no mechanism to control *how* and *when* heirs receive assets. A will alone still goes through probate; a trust can avoid it.

> **The fix: determine whether a revocable or irrevocable trust fits your goals. For most estates of meaningful size, one does.**

MISTAKE 7

Creating a trust but never funding it

This is one of the most common and heartbreaking errors: a family pays to establish a trust, then never transfers assets into it. An unfunded trust is an empty box — legally valid, practically useless.

The assets that were supposed to be protected and kept out of probate are still sitting in the individual's name, subject to exactly the process the trust was meant to avoid.

> **The fix: funding is not optional. Every intended asset must actually be retitled into the trust — and re-checked over time.**

MISTAKE 8

Never reviewing the documents

Even a well-built, well-funded plan needs periodic review. Beneficiaries change, laws change, assets change, relationships change, and the people you named as executor, trustee, or agent may no longer be the right choices — or may no longer be available. A plan left in a drawer for fifteen years is a plan making decisions based on a world that no longer exists.

> **The fix: schedule regular reviews, and always revisit after a marriage, divorce, birth, death, major purchase, or move.**

MISTAKE 9

Treating a living trust as the whole plan

A revocable living trust is a powerful centerpiece — but it is not, by itself, a complete plan. A full plan also needs the supporting documents that handle what a trust cannot: a healthcare directive, a HIPAA authorization so loved ones can access medical information, durable powers of attorney for finances and healthcare, and a pour-over will to catch anything left outside the trust. Without these, families can be left unable to act during a crisis.

> **The fix: build the full set — trust plus directives, powers of attorney, HIPAA, and a pour-over will — not the trust alone.**

MISTAKE 10

No plan for incapacity and long-term care

Estate planning isn't only about death; it's about the years that may precede it. A plan that ignores the possibility of extended illness or long-term care can leave assets unavailable when they're needed most, force rushed decisions, and put both the individual and the family under financial and emotional strain. Planning only for the transfer of assets — and not for the cost of getting there — leaves a dangerous gap.

> **The fix: a complete plan ensures assets can support health and long-term-care needs, and names who decides if you cannot.**

A plan is only as good as its upkeep

Notice how many of these ten mistakes are not about *creating* a plan but about *finishing* and *maintaining* one — funding the trust, updating the documents, adding the directives, planning for care. A comprehensive, regularly reviewed estate plan protects your legacy and supports your family during the most vulnerable moments of their lives. A neglected one can do the opposite.

Estate planning also intersects with tax planning at nearly every turn — how assets are titled, how they're taxed at transfer, how retirement accounts pass to heirs. That intersection is where thoughtful coordination pays off, and it's a conversation worth having:

Schedule your complimentary review

A no-obligation look at where your plan stands against these ten mistakes — and how it fits your tax picture.

Book at: koalendar.com/e/call-with-dana-gibson

Dana Gibson is a Certified Financial Fiduciary® and founder of PRAIS Financial Management, LLC, known as The Roth Doctor™.

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