



# Why Establish a Trust?

## *A perspective from a rancher's daughter.*

Recently my parents asked me why they would need a trust. All of their assets are held jointly in both of their names so what purpose would a trust serve? If one passes, the assets are automatically transferred to the surviving spouse without any problems such as probate, court proceedings, etc., correct? Well, not necessarily, I said.

As farmer/ranchers, my parents have worked hard their entire lives. And, over time they have obtained a number of assets.

Their primary concern about a trust is the initial cost of the document. Yes, I said, depending on the size of the estate, a trust could cost several thousand dollars; but this small, upfront investment in a trust will save your surviving spouse or your estate tens of thousands of dollars at the time of your passing.


My parents also worry that creating a trust will cause them to lose control of their assets. I assured them that placing an asset in a trust does not mean loss of control.

Additionally, I asked my parents to consider what would occur if something happened to both of them and they did not have a trust. How will my sister and I run the cattle operation? Will we be forced to use personal funds to run the operation until we can obtain access to their accounts?

The more I talk to my family and friends in my hometown of Canute, I realize that the benefits of trusts are often not understood. Many people think their estate is too small or that they are simply too young to worry about estate planning.

The common misconception is that only certain asset or age groups (i.e. wealthy and old) benefit from a trust. This is simply not true. Having a trust in place provides peace of mind and ensures that the assets you worked so hard to accumulate will pass according to your wishes and in the most cost effective manner.

After asking me a lot of good and tough questions, my parents understand the value a trust can provide in protecting their estate. They are now seriously considering establishing a trust.

If you own a business or if you own your assets in joint tenancy, consult a good estate planning attorney or CPA regarding the advantages and disadvantages of the various ways of titling property to protect your assets. 



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