

The Dangers of Joint Ownership as An Estate Planning Strategy

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Estate planning does not consist of a single, uniform goal or strategy. Instead, estate planning exists on a spectrum, with a simple will on one end and a comprehensive and interconnected series of documents and/or entities on the other. But as this [recent article](#) in Forbes points out, joint ownership by itself does not constitute an estate planning strategy.

All too often we see parents in their later years choose to simply add the name of one of their adult children to their bank account, instead of creating a will. “This is often done to help with bill paying, as a will-substitute to avoid probate court (often called a “poor-man’s will”), or simply to help an elderly loved one who needs assistance managing his or her assets. This is a big no-no!”

While adding a child’s name to a bank account can seem like an easy way to give that child power of attorney, it is simply too risky as an estate planning or a financial planning strategy. As the Forbes article points out, there are too many things that can go wrong. For example, even if you trust your adult child completely, adding another person as a joint owner on a bank account not only gives that person access to your money, but also gives other (perhaps less trustworthy) people such as creditors, litigants, or ex-spouses access to your money as well.

Family fighting is another tragic and common result of using joint ownership as an estate planning strategy, because it leaves the parent’s true intentions for the distribution of wealth in doubt. Mom may have wanted her account to be shared equally between many siblings, but “if Johnny won’t share, his siblings can sue him and claim that Mom’s actual intent was not for him to keep the money, but she only added his name as a convenience. The siblings have to prove what her actual intent was, and that’s not very easy to do.”

The bottom line is that joint ownership, while it may seem like a quick and easy estate planning strategy, is just too ambiguous, too exposed, and too dangerous to be practical. For other estate planning strategies that will provide your family with strong and lasting protection please [contact our office today](#)

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