



Getting Started with Your Will: The Four “P’s” of Estate Planning

Scott Talbot - August 2023

If you are like many Americans, you either do not have a will or your plan is outdated and does not reflect your current wishes. Most people understand the importance of having an updated will in place. For various reasons, however, they fail to take action.

One of the main reasons many procrastinate is that they find the process intimidating. They are confronted with complex planning concepts, confusing legal terminology, uncertainty regarding the future, and a host of other variables. Qualified advisors need to be consulted—and what about the possible fees? Perhaps the greatest concern is the challenge of identifying beneficiaries and deciding how much to give each one.

“A journey of a thousand miles begins with a single step.” (Chinese proverb)

Let’s simplify the process by identifying some of the basic steps for getting started. We will do so by looking at the *Four “P’s” of estate planning*.

The Four “P’s”

Determining your plan begins by taking inventory of the *Four “P’s”*: your **P**eople, your **P**roperty, your **P**lans, and your **P**rofessional Advisors. You can grab a tablet and write these out by hand or use the following helpful worksheet: [Confidential Estate Inventory](#).

People

Make a list of your spouse (if married), children, grandchildren, and any other family members you wish to include. Add special friends or loved ones you have in mind.

Additionally, list the ministries you love and support regularly. Ministries represent people as well, and they serve others in a way that is meaningful and important to you.



Property

Next, create an inventory of your assets. Categories may include bank accounts, real estate, life insurance (face amount), securities, retirement plans, business interests, vehicles, household goods, and personal effects. For each, list the approximate value (estimate, if needed) and the owner(s). (It is important to note how each asset is titled.) If you anticipate a significant inheritance down the road, record an estimated figure for that, too.

Finally, list all liabilities, including vehicle loans, mortgages, credit card balances, and other debts. Subtracting your liabilities from your assets will give you your net worth. This figure represents the value of your estate which is available for distribution right now.

Plans

Now that you've listed your people and your property, you are ready to move to the next step: deciding how to distribute your estate to your loved ones. My longtime friend and mentor Ray Lyne suggests the following method for working through these decisions. I call it "Cash on the Table."

Take your net worth, as determined above, and envision this amount as cash on your dining room table. (Thinking in terms of cash simplifies the process. And eventually, most or all of your assets will be converted to cash.) Now imagine this is the last day of your life here on Earth, and you have to give it all away today. How would you do that?

Take your people list—your family, friends, and ministries—and decide how much you would give to each. You may want to express your wishes in terms of dollar amounts for some and percentages for others. Married couples, assume you will both be in heaven tomorrow. However you wish to break it down, assume that you must give it all away today.

Thinking how you would give it away today is practical for several reasons. First, you are working with facts that you know to be true, not a situation that may or may not be true in the future. Today's circumstance is all you can know for sure. Second, as circumstances change (and they will), you can adjust your plans accordingly. Third, we are never guaranteed tomorrow. This is why current planning is crucial.



Professional Advisors

Wise stewardship warrants professional guidance, and identifying qualified advisors is crucial to planning well. You will need an experienced attorney who specializes in wills, trusts, and estates. You may also wish to consult with your accountant, your financial planner, and any others you feel might be helpful to the process.

Consider making a place at the table for a planned giving specialist, as well. This person can share practical, efficient ways to include your charities while reducing costs, thereby maximizing resources for both family and ministry. Because of the specialized nature of this field, this planned giving advisor will likely share options you will not hear from other advisors. Dallas Seminary Foundation will be happy to assist you in this capacity, without cost or obligation. Many have found our services to be extremely helpful in rounding out their counsel and understanding all available options and opportunities.

Getting started on your will or updating your will does not have to be intimidating. You now have a basic plan for moving forward. Taking an inventory of your Four “P’s” is something you can do in an hour or two. Then, through prayer, meditation, and discussion with loved ones, the “Cash on the Table” exercise can help you with the “how much” decisions that many find so daunting.

A journey of a thousand miles begins with a single step. If this issue is important to you, why not take that next step today? If we can help in any way, please reach out and let us know.

Estate and gift planning information is offered as a service to our donors. Communications with Gift Planning staff are not intended as, nor should they be construed to be, legal or tax advice and are offered for illustrative or educational purposes only. Be advised that content may be relevant and accurate at the time it was created. However, tax laws change from time to time, and the information provided may or may not accord with current laws. Therefore, it is expressly recommended that you consult an attorney, tax specialist, financial advisor, or other qualified professional to determine how a gift or estate planning decision might affect your circumstances so that they can provide the latest tax laws and information for your situation.