MANDELBAUM BARRETT PC
ATTORNEYS AT LAW

Elder Law and Special Needs Planning

December 2024 Newsletter

The Great Wealth Transfer: Preparing the Next Generation

The great wealth transfer is underway in America. Through 2045, Baby Boomers will pass down approximately $84 trillion to Gen Z, Millennials, and Gen X. But what constitutes a high-net-worth (HNW) inheritance? In the United States, that number averages nearly $750,000 per inheritor, but it can be much higher.

Owners of HNW estates typically monitor and amend their estate plans regularly. They understand that the responsibility of financial stewardship will ensure continued wealth for many generations. But what about preparing their adult children (inheritors) for this wealth transfer? How can parents help ensure the next generation stays on track?

Preparing the Next Generation

No matter what your family dynamic, relationships between generations can come with trust issues and a lack of communication. More than ever, high-net-worth individuals try to safeguard the assets their children will inherit through trusts. Often, they'll collaborate with estate planning attorneys as well as investment or financial advisors to accomplish this. However, the next generation's attitudes are shifting from local to global as alternative investing options become mainstream.

Learning Financial Responsibility

Many inheritors may lack a basic financial understanding, particularly if their parents pass away sooner than expected. In situations such as this, trusts may prove exceedingly beneficial. Instead of the inheritor coming into a sizable inheritance outright (and potentially subjecting it to poor spending and management), the trust, through its trustee(s), may limit spending and invest the funds in such a way to ensure long-term growth for the inheritor. Nevertheless, knowledge is power, and parents who are fortunate enough to proactively plan for the "great wealth transfer."

Beginning the Process:

1. **Financial Education:** Start by providing young adult children with the necessary financial education to understand basic concepts such as budgets, investment portfolios, risk tolerance, tax planning, and wealth management. Consider seminars, workshops, or personal discussions about handling money responsibly.
2. **Advisor Introductions:** Connect your heirs with your legal representative and a certified financial planner before you are gone. Two-thirds of inheritors will leave their parent's advisors upon receiving family wealth. However, understanding the HNW estate's background and their parents' financial situation, as well as their investment and legacy desires, may influence them as they identify their path forward.
3. **Strong Work Ethic:** Encourage your adult children to pursue their careers passionately while emphasizing the value of hard work and accomplishment. Lead by example; help them understand that wealth is a tool that can enhance lives, not a substitute for ambition and purpose.
4. **Good Financial Habits:** Help your adult children develop sound financial habits like saving, budgeting, and living within their means. Teach them about the consequences of reckless spending, credit card debt, and the importance of building long-term financial security. If you have an adult child who struggles with responsible behaviors or addiction issues, consider a plan to stagger their distributions rather than providing a lump sum inheritance.
5. **Involvement in Financial Planning:** Encourage your adult children to participate in family financial planning discussions. They should understand the family's values, goals, and strategies for wealth preservation, including any trusts designed to distribute funds at specific life stages. Invite them to create a financial plan of their own. Include discussions about the tax implications of inheritance to ensure your adult children understand the potential liabilities associated with estate or inheritance taxes and provide guidance on tax-efficient strategies for managing their wealth.
6. **Emotional Preparedness:** Be prepared for pushback. No matter how much estate planning you accomplish, the experience of your children's upbringing guides their reactions and future choices. Receiving a significant inheritance can be overwhelming, and the emotional challenges may require resources beyond standard financial education, such as counseling or support groups.

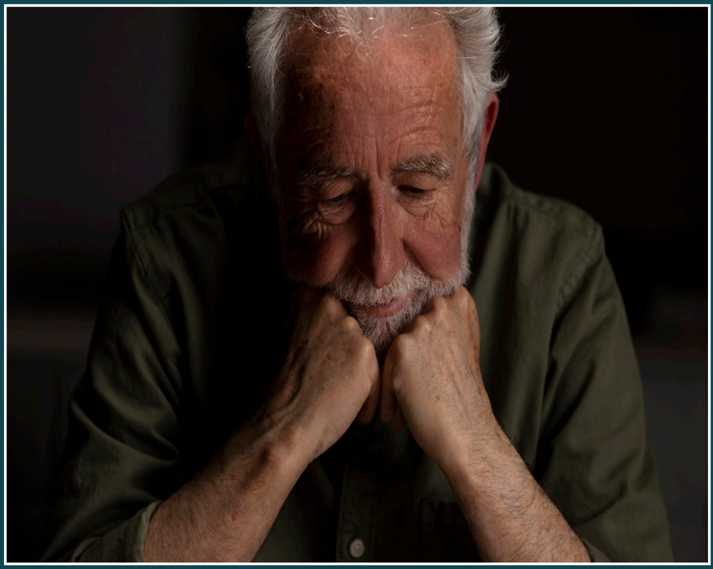
New Perspectives of the New Generations

Beliefs about wealth in younger generations are distinctly different from those of their parents. New financial goals and charitable aspirations between generations often don't present themselves until after the transfer of wealth. This doesn't mean HNW parents should stop trying to shape their children's financial perspective. It may still provide the structure for making informed decisions to maintain financial success.

Consult With Your Estate Planning Attorney

The Elder Law attorneys at Mandelbaum Barrett PC are here to help if you have concerns about transferring wealth to the next generation. Generational differences are not inherently good or bad, and our team can offer an objective perspective to guide important family conversations. We can also identify numerous financial resources to prepare your heirs for their future responsibilities. With proper understanding, your heirs will be more likely to uphold your most closely held values and choices.

Understanding Loneliness and Its Impact on Senior Health



Research has increasingly shown a connection between loneliness and adverse health outcomes, including a higher risk of premature death, serious health issues, and elevated suicide rates. Loneliness—a sense of disconnection from meaningful human interactions—is distinct from simply being alone. While not everyone living alone feels lonely, and not all lonely individuals live alone, this emotional state can affect anyone, with seniors being particularly vulnerable.

Loneliness: A Growing Public Health Concern

The COVID-19 pandemic amplified social isolation for many, shining a spotlight on its impact. In 2023, U.S. Surgeon General Dr. Vivek Murthy declared loneliness a national epidemic, emphasizing its role as a significant public health challenge. The report highlighted that lacking social connections could be as harmful as smoking 15 cigarettes a day.

For seniors, loneliness is often intertwined with the grief of losing loved ones and the difficulty of forming new connections. More than half of Americans aged 65 and older report feeling lonely, with two-thirds believing their families have forgotten them.

Risk Factors Contributing to Loneliness

Seniors face unique challenges that may lead to isolation, including:

- Grieving the loss of loved ones
- Declining physical or mental health, such as vision impairment or cognitive decline
- Living alone or far from family
- Financial constraints limiting social opportunities
- Caregiving responsibilities or mobility issues
- Language barriers or hearing difficulties
- Depression, anxiety, or a lack of motivation to engage

These factors can create a cycle of isolation, making it harder to maintain mental and physical well-being.

Technology: A New Ally Against Loneliness

Advances in technology are also helping combat isolation. Devices like ElliQ, a robotic companion, engage seniors with empathetic interactions, while robotic pets like Joy for All's cats and dogs have been shown to improve mood and quality of life for seniors with dementia.

Younger generations are also contributing to the cause. For instance, high school students in California developed Geri, an AI app designed to provide companionship to lonely seniors.

Exploring Living Arrangements

Sometimes, addressing loneliness requires a change in environment. Options such as senior living communities or moving in with family members can offer more regular social interaction. Many residential programs provide communal dining, planned activities, and social opportunities tailored to seniors.

Resources to Learn More

For additional tips on improving well-being and combating loneliness, explore these articles:

- [Make New Friends and Keep the Old: It's Good for Your Health]
- [Instacart to Help Older Adults Address Food Insecurity]
- [After a Dementia Diagnosis: Preparing for the Future]
- [Do Caregiver Duties Help Older Women Live Longer?]

Loneliness is a challenge, but with proactive steps and the right resources, seniors can find meaningful ways to connect, thrive, and lead fulfilling lives.

Richard Miller and Dan Stone Contribute to PLAN NJ Fall 2024 Newsletter on Key SSI Policy Updates

Richard Miller, Esq., Chair of the Elder Law Practice Group, and **Dan Stone, Esq.**, Associate at Mandelbaum Barrett PC, are honored to have contributed to the **Planned Lifetime Assistance Network of New Jersey, Inc.** Fall 2024 newsletter. In their article, "Recent Changes to the SSI In-Kind Support Rules," they delve into important updates impacting SSI benefits, including new rules on resource and income limitations and the SSA's revised policy on ISM calculations.

Read the full newsletter to learn more.

PLAN|NJ news FALL 2024
Planned Lifetime Assistance Network of New Jersey

STRAIGHT FORWARD SPECIAL ED:

UNDERSTANDING 504 VS IDEA – KEY DIFFERENCES IN EDUCATION LAW

In this episode of Straightforward Special Ed, **Arla D. Cahill, Esq.**, Chair of Education Law at Mandelbaum Barrett PC, breaks down one of the most frequently asked questions by parents: What's the difference between Section 504 and IDEA (the Individuals with Disabilities Education Act)?

Arla explains how these two critical laws affect special education services, eligibility, and support in school, helping parents better understand the rights and resources available for their children.

Section 504 is a civil rights law ensuring students with disabilities receive equal access to education by prohibiting discriminatory practices. It mandates that schools provide accommodations to meet these students' needs.

In contrast, the IDEA (Individuals with Disabilities Education Act) is an educational law requiring public schools to offer a Free Appropriate Public Education (FAPE) specifically to students with educational disabilities, defined within certain categories. IDEA offers broader procedural protections and mandates special education tailored to the student's needs, delivered in the least restrictive environment.

This is the first video in a new education law series answering the most common questions parents have about special education. Stay tuned for more episodes covering essential information parents need to know!

LESSONS FROM LITTLE RICHARD'S ESTATE:

WHAT YOU SHOULD KNOW ABOUT EXECUTOR RESPONSIBILITIES

In this vlog, **Shawna Brown**, an attorney in the Elder Law Department at Mandelbaum Barrett PC, shares valuable insights on executor responsibilities, inspired by a recent high-profile probate case involving the estate of rock 'n' roll legend Little Richard.

Shawna discusses how Little Richard's brother, acting as an executor, failed to follow the terms of the will, leading to legal battles and his removal as both executor and beneficiary. While this case involved intellectual property and celebrity wealth, the lessons apply to families of all backgrounds.

Whether it's mishandling the sale of a family home or failing to honor a loved one's wishes for a business, executor misconduct can have serious consequences. Shawna explains how the team at Mandelbaum Barrett PC can help beneficiaries or executors navigate these challenges—whether through negotiation or litigation—and ensure estates are managed according to the law and the deceased's wishes.

If you have concerns about estate management, our full-service team is here to help. **Watch now to learn more!**

Richard Miller, Esq., Chair of the Elder Law Practice Group at Mandelbaum Barrett PC, recently sat down with Joel Konya, host of the Big State Sports Network, for an engaging and heartfelt interview.

In this conversation, Richard shares what inspired him to pursue Elder Law and dives into some surprising (and fun!) facts about his life, including:

- How he once dreamed of a career in sports law
- The truth about dramatic will readings and whether he'd want one
- His journey to becoming a NJ Devils superfan
- His unexpected TV debut on an Emmy-nominated show

But above all, Richard's passion for helping clients during critical moments shines through, especially in areas like probate litigation and planning for individuals with special needs.

- Don't miss this inspiring interview—watch now!

https://www.youtube.com/live/EFg1fxNOEU4?si=cSu5eLFJd-C9EHZq

CONGRATULATIONS!

Congratulations to **Shawna Brown, Esq.**, Counsel in our Elder Law Practice Group, for being honored by the New Jersey Judiciary on October 31st for her exceptional pro bono service! Shawna is one of just 13 attorneys recognized this year, and we couldn't be prouder of her commitment to giving back to the community.

Please join us in celebrating Shawna and all the honorees for their remarkable contributions!

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Future Elder Law Star in the Making!

Donald "Donny" A. Dennison, Esq., Elder Law attorney at Mandelbaum Barrett PC, recently visited Washington, DC, to visit with **Blake Hamilton**, one of our firm's returning interns.

Blake, currently completing his degree at Dickinson College, is living and studying in DC this semester as part of an externship program with the Center for Disability and Elder Law. There, he's making an impact by providing pro bono assistance to low-income clients on guardianship and disability-related legal matters.

During his time at Mandelbaum Barrett PC, Blake worked closely with Donny in our Elder Law group, assisting on guardianship and government benefits cases. We are incredibly proud of his continued dedication to the field and can't wait to see the difference he will make as an elder law attorney in the future!

Keep up the amazing work, Blake!

End of Year Message from our Chair

As 2024 comes to an end, we want to take a moment to express our heartfelt gratitude for trusting Mandelbaum Barrett PC to be your legal partner this year. It has been a privilege to work alongside you, providing guidance and support for your personal and professional needs.

As we prepare for 2025, we remain committed to providing the highest level of service and expertise. With exciting initiatives on the horizon and new opportunities to serve you, we look forward to continuing to grow our partnership in the year ahead.

Thank you for being a part of our journey. From all of us at Mandelbaum Barrett PC, we wish you and your loved ones a joyous holiday season and a successful and prosperous new year.

Richard I. Miller

Chair | Elder Law
rmiller@mblawfirm.com

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