

Amy Winehouse's Financial Legacy

By [KIMBERLY PALMER](#)

U.S. News & World Report Alpha Consumer July 27, 2011

Amid the sad story of Amy Winehouse's death came one positive note of inspiration for her heartbroken fans: The troubled singer left her affairs in remarkable order. Unlike many celebrities, from [Michael Jackson](#) to Anna Nicole Smith, Winehouse had an estate plan that appears to leave her sizable assets just where she wanted them.

According to published reports in the British press, Winehouse's assets, estimated at around \$16.4 million, were at risk for going to her ex-husband, Blake Fielder-Civil, who is currently in prison, since the English legal system tends to favor ex-spouses. But Winehouse (and her lawyers) avoided that problem by writing a new will that directs her money to her parents and brother instead.

Celebrities and non-celebrities alike often leave their estates in disarray when they die. That lack of awareness and planning can make death more stressful and more costly for family members as they struggle to quickly plan a funeral and think about dividing up family property while grieving.

Here are five strategies anyone can use to help avoid such financial stress:

Write a will. According to an AARP survey, more than one third of Americans over 50 lack a will, living trust, or power of attorney. Whether you share a tax bracket with Oprah or are struggling to pay off a mortgage, the first step involves list-making. What valuable things do you own? Some, such as retirement accounts, usually already name a beneficiary, but other assets, such as a house or a vintage car, will need to have their next owner specified.

Once you decide who gets what, it's time to formalize those preferences in a will. Most estate planners recommend updating it every few years to reflect new assets and births in the family (as well as rifts). Many people also choose someone, often a family member, to have power of attorney over their finances in case they are incapacitated.

Consider creating a trust. Estate lawyers can explain state and federal tax laws and the pros and cons of creating a living trust to be disbursed after death. People with significant assets (over \$2 million) might want to consider slowly transferring money to children before death to lower estate-tax payments.

Specify funeral preferences. The will is also a good place for funeral preferences, which vary wildly in their cost. A simple cremation usually costs a few hundred dollars, while a full-service funeral can easily exceed \$5,000. The average funeral, excluding burial expenses, costs \$6,580, according to the National Funeral Directors Association. As with gift-giving, people tend to spend more money on someone else than that person would have done, especially when they are grieving and rushed. Planning ahead can save money that instead can go to a memorial fund, help survivors pay down debt, or send kids to college.

Get help online. "People are starting to realize that they can be empowered to handle common legal matters on their own," says Chas Rampenthal, general counsel for LegalZoom, a Los Angeles-based company that sells Web-based DIY legal documents. And despite some of the risks that other lawyers point out, Rampenthal insists that having a DIY document is better than having no document at all. According to a LegalZoom survey, about 3 in 4 married couples with minor children lack a legal document that names a guardian for their children.

Note by Peter Kote – we recommend Practical Plans since you are actually getting California legal advice and not just legal education (read the fine print on web based legal sites)