

Title of Lesson/Subject:

Trusts – Who needs them? (Teaching Teens/Freshman College Students)

Prepared by: *Brenda Jacobson*

Contact Information:

E-mail address: Brenda.k.jacobson@ndsu.edu

Phone: **(701) 271-9272**

Time Allotment:

- Two evening classes 60 minutes each (Monday Nights at the school – required to attend for credit)

Grade Level or Target Audience:

- *Freshman in College*

ND Standards Competencies:

- *Licensed Educator licensed to teach adults (over the age 18 or in college)*
- *Economics is the core teaching area.*

Key Economic Concepts:

1. *Think about all the different types of Trusts available*
2. *Learn the main differences of the Trusts*
3. *Why are Trusts important*
4. *Who should have a Trust*
5. *Benefits of Trusts*

Brief Description:

Through multiple teaching techniques students will learn the basics about Trusts and that there are multiple types of Trusts to choose from.

Learner Objectives:

- To learn about the basics of Trusts (general information)
- To understand key terms
- To get more familiar with estate planning and see some of the benefits

Introduction:

Introduce myself, education and have everyone in the room **introduce themselves and their favorite activity they like to do that costs money.** After everyone has completed this task I would move on to the class outline.

Materials Needed:

- Pencils/pens
- Blank paper (note taking)
- Copies of handouts
- Classroom that has tables in front of students

- Wipe and Erase board with markers & eraser

Audio/Visual Equipment Needed:

- Wipe and erase board with markers and eraser if that is available in the room if not I will provide one.

Lesson Outline:

FIRST CLASS:

- ✓ Welcome: Introduce myself (Teacher)
- ✓ Discuss classroom rules: Respect, confidentiality and bathroom/break information.
- ✓ Give an overview of the course tonight.
 - We are going to discuss the basics of trusts – terminology and some websites that might be helpful to find more information.
 - A speaker from Wells Fargo that works with Trusts is coming to discuss what banks can do for you – related to Trusts and how to pick one that matches your needs. (Basic Information)
 - Then we will wrap up for the first class with a small assignment due at the next classroom time. (Next Monday night)

Introductions

- ✓ Have students state their first name and ask if anyone has ever heard of a Trust and if so what type(s).

Activity One:

- ✓ Hand out the paper – Worksheet One: Terminology to students.
- ✓ Go through the terminology – review the worksheet together as a class.

Discuss:

With a show of hands

- ✓ Do you have a plan in place for your future? – Retirement, investments, trusts?
- ✓ Have you ever heard your parents or anyone else discuss a trust?

Note to the class if half the class is raising their hands – a few people in class - this will demonstrate that this is not a topic that is talked about often and that it is new to most.

- ✓ What do you think might be an advantage of having a trust?
 - Record these answers on the wipe and erase board

Keeping the terms in mind we have a guest speaker from Wells Fargo here to discuss trusts more in-depth.

Speaker from Wells Fargo speaks for about 30 minutes.

Are there any questions? - 5 minutes

Thank the speaker.

Now go back to your wipe and erase board and ask the students:

Discuss:

- ✓ Did the information you just heard match the advantages that we have written down?
- ✓ Go through each advantage **one at a time.**
- ✓ What are other advantages that are not on the list?
- ✓ Do you think that trusts could be an effective way of passing on an estate?
 - ✓ **Some answer yes, some no.....**
 - Why do you think it is?
 - Why do you think it isn't?

Activity Two:

Wrap up the class by asking the students to visit the websites listed on their papers and to write down three additional things about trusts that were not brought up in the lecture or on the piece of paper and record which website helped the most. If you find a new website – that is great!

Bring your findings to the next class – next Monday Night

SECOND CLASS:

Introduction of the instructor again - name

This time ask everyone to **state their first name and something they learned in the last class.**
(Let them reflect on what they have learned from the previous class)

- Did anyone go home and talk about trusts with a parent or to a friend?
- Did anyone ask a professional more about trusts?

Ask them to **take out their assignment** and using the wipe and erase board have them shout out what they learned from the websites listed.

- Did anyone find a new website?
- Write down that address for all to see.

Can anyone tell me the difference about **revocable** living trusts and **irrevocable** trusts?

ASK the students:

What is the main difference?

Why is that difference so important?

--**Revocable** living trusts-trustee still has power over the trust but **irrevocable** trusts the trustee does not have any power to change anything or distribute anything differently. Legally cannot do anything after the trust is in place – ownership has changed.

Activity Three:

Break down students into small groups (3-5)

Handout the pdf on trusts from Montana Extension and focus on revocable living trusts.

Handout the handout with the following questions on it (Activity Three).

I want **each** group to go through this handout and find the following answers to these questions:

1. What is a revocable living trust?
2. What can you include in this type of trust?
3. Explain what a successor trustee does?
4. Should there only be one successor trustee?
5. What do you need to consider when forming a living trust?
6. What is a UPC?
7. Are revocable living trusts able to keep assets “safe” from nursing home costs?
8. How can you find out more information about trusts? Who would be able to tell you more information?

Allow students time to find the answers (20-25 minutes). This will give students time to discuss trusts and the information they have learned.

Instructor might need to walk around the room to keep everyone focused and on task.

Discuss:

The answers as a large group – have one group answer one question

Don't record answers – just use ***informal discussion.***

Ask if anyone had anything different than the group's reply....

Add the following:

Trusts are established to match your goals and intents of your property (estate). These are decisions you will be making about future gifts, future disbursements of assets and overall about your estate in the future.

When establishing a trust it is important to think about these questions:

1. What type of trust do I want?

- Consulting a professional will allow you to make these decisions to match your goals and intents regarding your estate.
- There are specialized trusts and several other types – by consulting a professional that professional will be able to help you in this decision making process.

2. What are the advantages of a trust?

- Do they fit the goals I have for my estate

3. Can I maintain control over my trust?

- This is up to you – it will help in your decision making process of which type of trust.

4. Can I make the investment decisions?

- With a trust, you make the rules when you establish the trust.

5. How big must a trust fund be?

- Usually it is an empty vessel waiting to be filled. Some states might require \$100 down into the trust.

6. Is it difficult to set up a trust?

- Setting up a trust is not difficult – it might be time consuming to make a decision about assets and disbursement of those assets but it will allow your heirs to have a clear cut guideline to your wishes.

***Remember life is about choices:**

- Financial choices can affect everyone emotionally – even after your death.
- By writing down a plan others can see the road, path or route of your intentions to allow others to benefit from your estate and/or reduce tax implications on your estate.
- Having necessary paperwork in place can help reduce future financial stress for your heirs. Just as a will is important it is also important to think about if a trust is something that will benefit your family's situation. Trust can provide wise financial decisions and help your heirs in the future after you are not around to aid in these types of decision making processes.
- This can make you feel calmer, feel more organized and feel more in control of your life and more in control of your death. It can give you a sense or a feeling of security. It can give you a sense of protection over your loved ones future.

Ask if there are any further questions related to either class (first class or second class).

Handout Evaluations:

Ask everyone to take time to reflect on what they have learned. Class will be dismissed as a group not when you are done with the evaluation. So don't rush through the paper thinking you will be leaving right away. Think about what you have learned these past two classes.

The code for this course is: XY124

--If you turn it in at the registration office you will get credit for this course.

--If you have any further questions or comments I will be around for a few minutes so please feel free to ask.

Resources:

<http://www.montana.edu/wwwpb/pubs/mt9612.html> - Montana Extension -Revocable Living Trusts

<http://missourifamilies.org/quick/financeqa/finqa56.htm> --Missouri Extension - Money Matters

<http://www.mtpalermo.com/sec-3.htm#I2> -Additional terms.

<http://www.mtpalermo.com/sec-10.htm#I4> -Discusses different types of Trusts in detail.

<https://www.wellsfargo.com/investing/more> Wells Fargo Website: Click on Trusts and Estate Services

<http://www.bremer.com/Home/Content.aspx?id=511> Bremer Bank: Investment Mgmt & Trust

Activities:

First Class:

- Introduction (Ice breaker to get everyone talking)
- Activity One: Handout One –Terminology on Trusts
- Speaker
- Activity Two: Assignment: write down three additional things about trusts before next class.

Second Class:

- Ask everyone to state their first name and something they learned in the last class.
- Activity Three - Break down students into small groups (3-5)
 - Handout the pdf on trusts from Montana Extension and focus on revocable living trusts.
 - Handout the handout with the following questions on it (Activity Three Handout).
 - Allow students to answer the questions
 - Come together as a large group and discuss answers

Application/Assignment:

- After the first class students are to write down three additional things about trusts that they have found and bring it to the second class.

Evaluation Plan:

- Hand out Evaluation Form at the end of the second class.

Terminology on Trusts

Activity One Handout

Estate Planning -- http://www.broward.org/extension/consfam_finance/cffaq.htm

Here are some basic terms pertaining to trusts that are important to understand:

Will - a legal document that expresses a person's intentions about how his or her estate will be administered and settled upon death

Trust - A legal agreement in which one person (the grantor) transfers legal title of assets to another person (the trustee) for the benefit of others (beneficiaries)

Grantor - The person who creates the trust, also called a trustor or settlor

Trustee - An individual or trust institution to which legal title of assets is transferred. The trustee manages the trust.

Beneficiary - One or more people who benefit from a trust. The beneficiary also may be a charitable institution

Corpus - The assets contained in a trust

Trust agreement - The formal written document, usually prepared by an attorney that sets forth the terms of the trust

Additional information on Trusts at the following websites:

<http://www.montana.edu/wwwpb/pubs/mt9612.html> - Montana Extension -Revocable Living Trusts

<http://missourifamilies.org/quick/financeqa/finqa56.htm> --Missouri Extension - Money Matters

<http://www.mtpalermo.com/sec-3.htm#I2> -additional terms.

<http://www.mtpalermo.com/sec-10.htm#I4> -discusses different types of Trusts in detail.

<https://www.wellsfargo.com/investing/more> Wells Fargo Website: - click on Trusts and Estate Services

<http://www.bremer.com/Home/Content.aspx?id=511> Bremer Bank: Investment Mgmt & Trust

Revocable Living Trust

Activity Three Handout

Find the following answers to these questions:

1. What is a revocable living trust?
2. What can you include (types of assets) in this type of trust?
3. Explain what a successor trustee does?
4. Should there only be one successor trustee?
5. What do you need to consider when forming a living trust?
6. What is a UPC?
7. Are revocable living trusts able to keep assets “safe” from nursing home costs?
8. How can you find out more information about trusts? Who would be able to tell you more information?

Evaluation for Module 3: Trusts – Who needs them?

Instructor: Brenda Jacobson

What was the most valuable information you learned about today?

Have you heard about Trusts before this course? **YES** or **NO**

What was your level of knowledge of Trusts before this course? (circle one number)

1 – Never heard of Trusts **2**– Knew a little about trusts **3**—Have extensive knowledge

Rank on a scale of 1 to 3 the level of information that you learned today: (circle one number)

1 – *Nothing* **2** – Learned *some* new information **3** - Learned *a lot of new* information

What was the least valuable information you learned about today?

Did you feel that the instructor was knowledgeable about the information presented?

YES or **NO**

Would you recommend this course to other students? **YES** or **NO**

What additional information do you feel is important to include?
