

## **Estate Planning or Legacy Planning?**

It's easy to peg estate planning as focusing only on money. Clients often walk in the door predisposed to talking about avoiding the expenses of probate and learning what can be done to reduce their estate taxes. Attorneys are often most comfortable focusing on a client's financial details because that is where the attorney can provide the most measurable "value." But estate planning can and should involve discussions that reach well beyond the financial aspects of our lives.

An initial discussion on estate planning might start out with the financial aspects, but through subtle probing, the attorney might uncover what the client is most concerned about: for instance, how to pass on one's values and life's lessons; how should children be made aware of the parent's instructions and wishes regarding end-of-life care; how does the parent pass on a unique family possession where more than one child has had their eye on it?

Such concerns are broader than most estate planning attorneys realize, according to a study by Allianz Life Insurance Company. The study questioned baby boomers and their parents about a number of estate planning issues, and the results buck conventional wisdom. Nearly 60% of respondents said it was very important that they receive from their parents instructions and wishes that the parents wanted fulfilled, such as taking care of a loved one or ensuring a family member finishes their education. Nearly half listed receiving a personal possession of emotional value as very important. Only 16% of respondents list receiving their parent's financial assets as very important.

In fact, passing on items of personal value can be extremely tricky, as the survey indicates. Respondents whose parents were no longer alive indicated that determining who received the parent's possessions of emotional value was five times more likely to be a source of conflict among the children than determining who received the financial assets. In addition, fulfilling the parent's last wishes and instructions was also five times more likely to generate conflict than deciding who received the financial assets. And yet, only half of the respondents indicated they have had a meaningful discussion with their children or parents about these important personal possessions and last wishes. One lesson here is for families to discuss these issues in advance and resolve as many as possible before it is too late and conflicts take root.

If you are contemplating such a discussion with your children or parents, there are four areas that you should touch upon. First, and perhaps the easiest, is a discussion of your values and life's lessons. Values can include your religious faith, the importance of a strong work ethic, having a sense of ethics and morality, and being charitable, among others. Life's lessons can include your accumulated wisdom, but also family traditions, stories and rituals that make your family unique and hold it together.

Second, identify and discuss what family items hold particular emotional value, and how a fair and equitable distribution plan can be worked out. Too often, disagreement over a seemingly insignificant personal item can have a domino effect leading to disagreement over the entire estate. This chain of events can be nipped in the bud with a little advance discussion, and a happier result achieved for all involved.

Third, as a parent you should inform your children of your wishes for medical care and any special instructions you want your children to carry out. This can range from burial instructions and related matters to who should care for a special needs child or putting into words how you want to be remembered.

Finally, it is still necessary to discuss the financial aspects, including who receives what, and when. There exist many methods of leaving assets to the next generation or to charitable causes, and professional advice is usually necessary. But even before an attorney is consulted, parents, and sometimes entire families, can identify their goals and objectives and thereby present the outline of a plan from which the attorney can pick the best techniques to achieve those goals.

Very few people discuss all of these topics with their families. But even if you cannot comfortably discuss each issue with your family, consider discussing those you are less sensitive about. As you progress, you may even reach a comfort level on all of the topics and achieve more than you hoped to accomplish. If you can do all four, you have done more than an estate plan, you have done a legacy plan.

**Adam Bartsch, *Estate Planning or Legacy Planning?*, The Shelburne News, March 1, 2007.**

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