



Planning With Purpose: Making your estate plan more valuable for your loved ones

“... To maintain control and ensure your wishes are followed are the reasons you do estate planning; that’s why it’s important to ensure those wishes are known properly. The only way to do that is with a fully coordinated estate plan written by an estate planning attorney ...”

By Peter J. Gilbert, Esq.

If your experience is that estate planning is all about “who gets my stuff when I’m dead,” then it’s no wonder you find it both uncomfortable to think about and not worth a lot of time to figure out.

I used to feel the same way, and, in law school I was not interested in pursuing estate planning. But then, as a practicing attorney, I learned that Wealth Reception can be much more important than Wealth Transfer. In other words, the “how” is often far more important than the “who.”

To show you what I mean, let me share some actual cases where designing the best manner of wealth **reception** should have been, or was, crucial.

A young woman (call her Anne) had parents who were successful and who loved her dearly. They set up a million-dollar trust just for her, which would end at age 25 (she was a mature and responsible daughter) and distribute its funds to her. Anne fell in love and got married at 23. Her husband divorced her as soon as she turned 25 and walked away with half of the money. If Anne’s parents had “gift-wrapped” that money in a permanent protective trust, all that money would have been safe from the divorce court.

A successful homebuilder was doing well, steadily expanding his business. He obtained bank loans to build the developments and paid them off as the properties were sold. But then came a nationwide recession, the housing market dried up, he couldn’t pay the loans, and so he was forced into bankruptcy. He had earlier received an inheritance from his parents, but that fund was lost in the bankruptcy. If only that inheritance had been left to him in a protective trust, it would have been excluded from the bankruptcy and been a safety net for him and his family.

A colleague of mine was meeting a new client for their initial conversation. This man had a very substantial, multimillion-dollar estate. Foremost in the client’s mind was not taxes but a very real personal concern: as he told my lawyer friend, “My daughter married an idiot!”

Planning with purpose also has to do with the personalities of the beneficiaries and their relationship with money. Check out these actual case studies:

Bob knew his son Andy was a hard worker, but he also knew that Andy was not good with money. Bob knew it was likely that, when Andy got his inheritance check, he’d quit work and have fun until the inheritance ran out, and only then would he go back to work. So Bob’s plan was to put the inheritance in a trust, and the rule was that Andy had to show his payroll check to the trustee every payday, and then the trustee would give him a portion of his inheritance. Andy’s life was enhanced by the extra funds, the money wasn’t wasted, and, most importantly, Andy kept his work ethic and his self-esteem.

Paul and Wendy had been happily married for several years when word came her mother (the surviving parent) had passed away. Wendy

hadn’t gone into great detail with her husband about the wealth of her parents, so it was a shock when he learned that his wife inherited an amount large enough that they could both retire and never again have to rely on their work income. Put another way, Paul was no longer needed as the breadwinner. Paul felt he was no longer needed and couldn’t deal with the disappearance of his role in the marriage. Eventually, the couple divorced.

The late Leo Buscaglia, an internationally acclaimed author and lecturer, liked to tell a story of how, when he came of age, he went off to study philosophy at a Paris university. His mother had given her son limited funds that quickly went to buy wine for his newfound “friends” who had shown up quickly, only to disappear just as quickly when the money and the wine ran out. Leo sent an urgent telegram to his mother back in the USA: “Mama: Starving! Leo” He didn’t have to wait long for her reply: “Leo: Starve! Mama.” It was a hard lesson for Leo but one he came to appreciate greatly. As one commenter has said, “Sometimes we contribute most to our children’s wealth by what we do not give.”

The non-financial legacy you leave your loved ones can and should be confirmed in the design of your estate plan. Every survey of beneficiaries confirms that, while they welcomed the financial inheritance, what they remember and treasure most is the legacy of stories and life lessons, the “angels and heroes” that made a permanent impact on their lives. At HighPoint Law Offices, we work together with our clients to leave a lasting legacy, whether that be with money or passing on their values. Come to one of our free monthly workshops and learn how you too can pass a legacy on to your loved ones.



Estate Planning • Elder Care Planning
Estate Administration • Business Succession Planning

200 HIGHPOINT DRIVE SUITE 211 • CHALFONT, PA 18914
215-997-9773

INFO@HIGHPOINTLAWOFFICES.COM
WWW.HIGHPOINTLAWOFFICES.COM