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Develop Business/Financial Planning

Bring Up Their Legacy to Get Clients Started on Estate Planning

By Elaine Floyd, CFP
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Instead of questioning clients and prospects about their estate-planning needs, ask them what kind of mark they want to leave on the world and on their children. A legacy planning approach will generate a much better response than any estate-planning inquiry can do.

Everyone agrees that estate planning should be part of a client's overall financial plan. But getting clients to undertake it is easier said than done. Perhaps that's because the term "estate planning" isn't meaningful to most people. Clients don't think of the assets they've worked a lifetime to accumulate—and are still enjoying—as an "estate," which is usually associated with death. As long as they feel healthy and alive, they find it difficult to relate to the classic goal of estate planning, which is to arrange for an orderly and tax-efficient disposition of assets at death.

But ask clients what kind of legacy they want to leave, and you're likely to get a completely different response. Now you're asking what kind of mark they want to leave upon the world. Bring up the subject of legacy, and clients start thinking about how the world will remember them—and how they want the world to remember them. When you talk about "legacy planning," many people will want to get started immediately on accomplishing goals and pursuing activities that will give their lives meaning. Suddenly there's a new and vibrant urgency to end-of-life, or more accurately, rest-of-life planning.

According to legal experts, legacy is an outdated term meaning personal property left by a will. Yet recently, many charities have started using the term legacy to make people feel good about making generous donations to their organizations.

Within the financial planning community, "legacy planning" is coming to be understood as a broad-based, multidisciplinary approach that covers personal, spiritual, financial, legal, and philanthropic goals. In fact, the legal and financial decisions are often driven by emotional issues as people wrestle with the very serious question of how they want their lives to be remembered. Wills, trusts, and other legal tools are simply the mechanisms by which their goals are carried out. The hard part is all the thinking, planning, and doing that precedes the appointment with the attorney. Treat estate planning as a purely legal and financial undertaking, and you may encounter client resistance. But talk to clients about their legacy, and you'll open up the floodgates to personal information, preferences, and planning.

Financial advisors are uniquely qualified to lead clients through the important process of listening, questioning, exploring, and clarifying goals as they relate to legacy planning. You've probably already touched on many of these issues in your regular financial- and life-planning

consultations. Legacy planning is an extension of life planning, but with more urgency and meaning. Once it starts, it's a lifelong process, which means you and your clients are in it together for the ride. Each time you meet, you'll talk about where they are in the process (i.e., what insights they've come up with since you last talked) and which goals have yet to be accomplished.

The legal and financial aspects will be implemented as needed by you and your estate-planning team, which might include an [estate-planning attorney](#), CPA, and insurance specialist that you choose for their quality work (or the client's own advisors, if preferred). But the most important aspect of legacy planning as viewed by your client will be the decision-making that goes on about the ultimate distribution of wealth to family, friends, charities, and even nontraditional beneficiaries such as a for-profit business that does some type of good work. As the one who knows the client best, you may take the role of the lead advisor who initiates the legacy-planning process and makes referrals to other members of the team as appropriate.

Discovery process

Legacy planning begins with a big-picture assessment of one's life and then drills down into more specific areas. So you might begin the discussion with such broad questions as:

- How do you want to be remembered?
- What mark do you want to leave upon the world?
- What do you see as your legacy to your children, your community, and the world?

These are heavy questions and need not and should not be answered without serious thought and self-reflection. To show clients what order of contemplation you are asking for, you might tell stories about people who have left important legacies.

For example, [Andrew Carnegie](#) left a lasting legacy of over 2,500 free public libraries that were established by his foundation, which in turn was funded by the wealth he accumulated around the turn of the 20th century. His commitment to free public libraries was inspired by the fact that he had to leave school at a young age and turn to his local library for self-education.

Legacies that evolve from a person's own experiences are the most meaningful, so encourage your clients to reach back into their lives to find themes and issues they can build into their own personal legacy. Here are some books to help them get started on the path:

- [Callings: Finding and Following an Authentic Life](#), by Gregg Michael Levoy
- [Legacy: A Step-by-Step Guide To Writing Personal History](#), by Linda Spence
- [Man's Search for Meaning](#) by Viktor E. Frankl
- [Titan: The Life of John D. Rockefeller, Sr.](#), by Ron Chernow
- [The Ultimate Gift](#), by Jim Stovall

- [Let Your Life Speak: Listening for the Voice of Vocation](#), by Parker J. Palmer

Fulfillment of the legacy

Once clients have identified the legacy they want to leave—and this is by no means a quick process—the next step is to determine how it may be carried out. This involves identifying the people and processes that can further their cause.

Some wealth holders build their own programs, as Bill Gates has done with his [India HIV prevention initiative](#) and Oprah Winfrey with her [leadership academy](#) for girls in South Africa.

Others prefer to carry out their legacy by directing major gifts to established charities that already have the systems and programs in place to fulfill the donor's goals. Still others may wish to keep their legacy simple by passing down assets and values to the next generation along with a personal statement indicating how they want their lives to be remembered.

A key difference between legacy planning and estate planning is that clients need not wait until the end of their lives to begin establishing their legacy. In fact, [starting early](#) enables the client to shape the legacy and strengthen it so it will keep going long after the client's death. If planning is done successfully, the client's death will have little impact on the legacy; the mechanisms will already be in place to keep it going. [John D. Rockefeller](#) served as an example of this caliber of planning. He worked hard during his lifetime to establish his legacy. By the time of his death, his foundation was firmly established and its mission of addressing social problems at their root cause was well entrenched.

Mechanisms for carrying out the legacy

The legal and financial machinery required for legacy fulfillment comprise what we traditionally think of as estate planning: [wills](#), [trusts](#), [foundations](#), and other legal instruments. To most clients, this is the not-fun part of legacy planning. It's why they hire advisors to recommend the appropriate legal form and to draft the documents in accordance with their goals.

The same may hold true for the investments. Assets that will someday be directed to programs and causes must be managed in the meantime. But most clients would rather hire someone to do this for them so they can devote their time and energy to the cause. Taxes, investments, legal stuff...they're all trifling business issues compared with the lofty goals and momentous work being carried out as part of the client's legacy.

Developing your offering

Advisors who specialize in legacy planning should find a vast and willing market of wealth holders in search of guidance on how to combine the legal and financial aspects of estate planning with the emotional and spiritual aspects of legacy planning. But first, you need to define your offering so you can clearly communicate the value you bring to the process. Each advisor will do this a little differently. The following resources can help you get started on devising your legacy-planning offering. The important thing is to bring your personal style to the process so you can provide something clients can't get anywhere else.

- [Money Quotient](#) develops financial life-planning tools and training for professionals who

want to make a difference in the lives of their clients.

- [The Legacy Center](#) offers resources and ideas for exploring and communicating values and experiences.
- [The Heritage Institute](#) offers information, courses, and assignments (including completing your own Guided Discovery and Vision Statement) leading to the Certified Wealth Consultant designation. Fees are high, but if you decide to specialize in legacy planning for wealthy families, this may be a wise investment. In any case, the [website](#) offers products that can help you in your legacy planning work. Also check out the member directory to see how other advisors are positioning themselves as legacy planners.
- [Private Matters](#) offers web-based tools and resources to help clients do their own legacy planning. This is a paid membership site, but you may wish to refer clients here as an adjunct to your one-on-one personalized legacy planning services. The site also offers useful information, such as these [10 questions](#) that can help you get started doing legacy planning with clients.
- [Plan Your Legacy](#) was inspired by [Mark Colgan](#), a CFP practitioner who lost his wife in September 2001. This membership service helps clients address the personal and [practical issues](#) that are often overlooked when creating an end-of-life plan. The cornerstone of the service is the Legacy Journal, an online organizational tool that systematically guides clients in documenting important information and communicating their wishes to family members and friends, including burial instructions, names of advisors, and location of key documents. The service also provides resources and tools for conveying private messages to family and friends and helping survivors cope with their loss.

This overview of legacy planning highlights the upside-down approach that has traditionally been used to sell estate planning. Clients can't begin to think about wills and trusts until they've contemplated the larger issues in their lives, their values, and their legacy. By starting there, and giving clients a little direction and plenty of time, you can help them begin the journey of self-reflection that results in a meaningful, lasting legacy and the satisfaction of a life well lived.

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