Legacy Planning | Focusing on the transfer of wealth not just valuables

"Carve your name on hearts, not tombstones. A legacy is etched into the minds of others and the stories they share about you." ~ Shannon L. Alder

I recently attended a presentation on the use of legacy tools and incorporating them into an estate planning practice, and I left thinking to myself that it was almost surprising their use isn't more widespread.

The traditional tools of an estate planning attorney are legal documents intended to direct courts and beneficiaries how tangible property should be distributed and explain desires relating to medical care and disposition of remains. The focus is on the physical body and property, and due to that focus, the mentality that estate planning is just for the well-to-do is very much alive. But, I would bet that you would be hard-pressed to find anyone that doesn't have a desire to leave behind a legacy beyond the physical possessions he gives away. So, whether a client has $100 or $100 million, there are some important steps that can take place to help that client create a lasting legacy.

Too often it seems that we focus on "wealth" as being purely physical- something that can be counted and monetized. That focus is misguided. Wealth as a concept is so much broader than most attorneys give it credit for. It encompasses values, knowledge, lessons and life experiences, perspective and hindsight.

Ask anyone what they remember most about a deceased parent or grandparent and the answer will likely be something other than the $500 they left behind. It is going to be about the memories, stories, and experiences that person shared during life. It's going to be about lessons that were taught or values that were inherited.

In order to more fully serve their clients, estate planning attorneys need to realize that and use legacy planning to ensure a record of those memories, stories and experiences is left behind.

What is Legacy Planning?

Legacy planning is the use of stories in order to create a plan that reflects the client's wishes, values, life experiences and lessons learned. It enables the attorney to be more than just a number cruncher or legal tactician. Legacy planning helps the attorney form a connection with a client and invites the client to be part of the legacy they will leave behind aside from mere physical possessions.

Typically, an ethical will or legacy letter is the end product. It can describe the client's thoughts on an unlimited number of topics and can be as short or as long as the client desires. Some topics to consider are:

- Money
- personal treasures
- the meaning of home
- words of wisdom for children or grandchildren
- ideas on success
- values
- wishes
- thoughts on religion and spiritual belief
- thoughts on love
- thoughts on business
- regrets and disappointments
- life lessons
- special memories and cherished moments

As far as specific bequests of personal property, the client can explain why they are giving an item to a specific person, what it meant to them during life and what they hope the individual will do with it. That way a beneficiary can get a little insight on why they received the things they received. Legacy letters and ethical wills are not oral histories or memoirs, rather, they focus on what life taught the client and how they want to be remembered.

What should the role of an estate planning attorney be?

An attorney can help facilitate conversations that can disclose the client's wishes, values, life experiences and lessons learned. He or she can help the client articulate what is truly important and what they would like to share with friends and loved ones. The conversations can be recorded for future reference when reducing the client's thoughts to writing and they can be edited into a final visual or audio representation of the ethical will or legacy letter if the client desires.

Perhaps just as important is the role these conversations can have in determining how best to structure the traditional parts of the estate plan. They give the attorney insight into why a client would like to make specific bequests or what values are guiding the client in their decisions regarding end of life treatment.

Above all, discussing values and life lessons with an estate planning attorney enables the client to establish a connection and be an active member in the vision for their plan which may be something that is sometimes too easily forgotten.

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