

Many people think of estate planning as a way to save estate taxes and perhaps a way to avoid probate. There are many, more important reasons for estate planning.

Catastrophic Illness Protection

I discussed this protection in the Spring issue of Sunrise Magazine, check it out!

Remarriage Protection

If my wife Diane remarries after I die, should I use my estate plan to make sure that her new husband can't spend my money?

Catastrophic Creditor Protection

If Diane hits a van full of lawyers after I die, should I use my estate plan to make it harder for them to collect my money when they sue her?

Divorce Protection

If Diane divorces her new husband after her remarriage, should I use my estate plan to make sure that he doesn't get half of my money?

Values Protection

Should I use my estate plan to make sure that my children's guardians know how to share my values while they finish raising my daughters Mary and Elizabeth? I call this part of the plan, "babysitter instructions".

I think that the answer to all these questions is yes, yes, yes, yes, and yes. You'll have to make your own judgment whether these Protections are important to you and your family.

Problem #1 with Traditional Estate Planning: Most estate plans are upside down! They focus on tax planning instead of the personal concerns, protections, and goals.

Problem #2 with Traditional Estate Planning: Most estate plans just don't work! A plan works when every expectation of the client is met. These expectations aren't met because clients and professional advisors see estate planning as a transaction ending in documents, instead of the process ending in results. Things change. Your plan should too.

I think that your family will achieve the best estate planning results with a Three Step Strategy™ that uses clear, comprehensive, customized instructions for your own care and that of your loved ones. The instructions might include a will, a trust, a power of attorney, a living will, and other documents.

Step #1: Work with a Counselling-Oriented Attorney as opposed to a word-processing attorney. Most estate planning in the US is little more than word-processing. You don't need a professional for that! The professional's value comes from counsel and advice based on knowledge, wisdom, and experience.

Step #2: Establish and Maintain a Formal Updating Program. There is constant change in your situation, both family and financial. Tax laws and other laws change every year in ways that will impact many estate plans. Finally, although I like to think I already know everything, your attorney's experience and expertise change. Without updating, your plan won't work the way you intended it to. Without a Formal Updating Program, the updating won't happen.

Step #3: Assure that My Wisdom is Transferred Along with My Wealth. In many families, the parents have an abundance of wisdom that has often been earned the hard way. Through Wealth Reception, an approach that prepares your children and grandchildren (or nephews and nieces, or godchildren, or friends) to receive your wealth, your wisdom can help make your money a benefit instead of the burden that it often is. Most financial windfalls disappear within 18 months. I don't want that to happen to your family.