

Legacies in Estate Planning

by Dr Robb Musgrave

What is your Legacy? - Your Money or Your Life!

The desire to leave a legacy has been part of the human psyche from time immemorial. The need taps into our sense that we are a part of something bigger than ourselves and it drives us to live a life with some sense of purpose. Many of us might struggle to understand our role in this greater scheme of things, but still we feel that at least a part of what makes us unique should live on after we die. This desire is shared equally by both men and women. Each and every one of us, regardless of our financial wealth or gender, has the intrinsic desire to leave a legacy.

People often think of legacies in tangible, financial terms, in other words: how you bequeath your assets in a will – such as who inherits the house and the bank account. But a lasting legacy is never just about money – money is just one of the tools available to us. Most of us know of people with little or no money that have made significant contributions to society through their actions or philosophies alone. These are the individuals who have left a lasting legacy, but would not necessarily be described as ‘wealthy’. Gandhi, Mother Theresa, Dr Martin Luther King and Fred Hollows spring to mind.

During my PhD research on legacies, I asked many people, ‘Who do you know who has left a legacy?’ Over a third of the people said ‘my mum’, ‘my dad’, ‘my grandfather’, ‘grandmother’ or someone else in their immediate family – not someone in the public eye. In addition, when asked about the type of legacy they had been left, almost no one mentioned a financial legacy. Of those who did mention finances, *no one said that the money had any significance for their lives*. So the legacy story is about much more than money alone.

When I asked people what they felt might be included in a personal legacy (in general terms as well as for them personally), the range of responses was quite remarkable. The scores for philosophies and statements of personally held values were high – right up there with money, real estate, business assets and shares. As one person said, ‘If I can leave something behind, my philosophies are number one. Money might feel good for five, ten or fifteen minutes or even a few years later, but philosophies are the real legacy that people can leave. Attitudes, instructions in life, these are the meat.’ Responses such as these revealed that people do in fact consider the so-called ‘esoteric issues’ to be very important.

Because of this overwhelming perception about legacies, it disappoints me to see countless armies of solicitors, accountants and financial planners lined up to assist clients with individual estate planning alone. Many people unwittingly stress the fact that ‘you can’t take it with you’. Have you ever seen a hearse towing a trailer full of physical assets? This is because our focus is often fixed on the material at the expense of the personal or the intangible.

Neither values nor legacies are included in the training and development of solicitors, accountants and financial planners. Therefore, very, very few of them are

aware that their clients can build a living legacy now, while they are alive. Professional advisers are also often reluctant to ask the profound questions that lead to a comprehensive life review or to a person's values, partly because it involves an ongoing planning process ('growing your life and growing your legacy'), but also because advisers are reluctant to become emotionally involved or to engage with a client on a values level. For some, this feels like emotional quicksand. So planners put this critical aspect of legacy planning into the too-hard basket.

As a consequence, a great number of legacies are unplanned and completely bypass values, families, life review, or a person's other significant interests. I strongly believe that the process of creating a legacy can lead to a more rewarding and happier life *in the here and now*. A structured, personal (or 'living') legacy can also forge incredibly strong bonds between the various generations in a family. The magic is that the process continues right through life and beyond – hopefully for generations after we have passed away.

Whether you intend to or not, you *will leave parts of yourself behind for others to enjoy and learn from*. In my research, an individual's philosophies, beliefs and values scored the same level of importance as tangible assets like real estate, shares, investments and business interests. A resounding 60 percent of legacies from parents to children were related to values alone, with the remaining 40 percent related to assets. The point I am making is that the ability to create a personal legacy does not depend on wealth as it is traditionally perceived.

The secret to carrying yourself into the life hereafter is to consciously and systematically convert your life and values into good deeds or better stories. It is surprising that although we all have an intrinsic desire to leave a legacy – or a part of ourselves behind – many do not believe, or are simply unaware, that they will leave a legacy regardless of whether or not it is carefully thought out. So the end result is that their legacies might be shapeless, misunderstood or even scarcely evident.

What will yours look like?