

Values-based Estate Planning

It's About More Than Just the Money!

When we die, we pass something from generation to generation that is much more important than money or property. It is our personal values. But the majority of estate plans focus just on the distribution of personal wealth. Years ago one of the most important parts of the **Will** was the preamble. The publicly read preamble was a person's last declaration of their beliefs and values to family and friends. It said – *This is what the life I lived was all about and what I considered important*. Perhaps people placed more worth on the preamble years ago because they did not have much material wealth to pass along. In modern times the recognition of our **values** are considered extra *fluff*, rather than the real *stuff* that defines who we are.

You Can Take It With You

"If rich men could remember that shrouds have no pockets, they would share their wealth for the good of others, and so know the highest pleasure wealth can give." Bruyere

There's a joke that no one has ever seen a hearse pulling a U-Haul trailer. But actually you can take it with you. The secret to taking your possessions into the life hereafter is to *convert* them into good deeds. The person who possesses wealth also possesses power. But it is power to do both good and evil. How you distribute your estate says much about you as a person. Have you thought about how to pass money to your children or grandchildren so that it enhances and builds their life rather than being a de-motivator for living a productive life? Have you included organizations that exist to carry on with your beliefs and causes after you are gone? You have worked a lifetime to accumulate what you have. The wise course of action is to have a well thought out plan of what you want done with it upon your death.

Real Wealth

"The wealth of a man is the number of things which he loves and blesses, which he in turn is loved and blessed by." Carlyle

Wealth goes beyond just material possessions. It involves our heritage (ancestors, traditions, heirlooms), family (beliefs, values, connections), and community (work, friendships, affiliations). This may translate into setting up your estate to preserve the family homestead, funding educational accounts for your grandchildren, or establishing a foundation to support music programs at the school. The choice is yours and is as varied as the individual. The question is – *"How do I do these things?"*

As an analogy, consider your assets as a pile of lumber. Your estate plan is the blueprint of what you want your assets to become after you are gone. **Wills and Trusts** are the tools you use to shape your lumber into an even more valuable heirloom.

Wills and Trusts

"The greatest lie in the world is the idea that money can make a man happy. I never had any satisfaction with mine until I began to do good with it." C. Pratt

Wills and Trusts allow you to not only control **who** receives **what**, but also **when** they receive it, and **how** they may use it. For example – assume you died and left \$100,000 outright to your 10 year-old grandson. By the time he takes possession of the money on his 18th birthday it has

grown to \$200,000. The “happily ever after” story is he uses the money to fund an education to become a doctor and invents a cure for cancer. The real story is he may think \$200,000 is enough money to forget about college, gets into the wrong crowd, and his recently divorced wife ends up taking half of what is left of the inheritance he didn’t squander away.

The way to help ensure a happy ending is to leave the money in a **Trust** with specific instructions that not only provide for and protect your grandson, but also pass your values to him. Since you want to encourage him to get an education, the trust would only release money for educational purposes up until age 25. To encourage him to finish school and to pursue opportunities, you stipulate if he receives a degree, he can use the trust money to start a business or purchase a home. If his wife does file for divorce, the inheritance is protected by the terms of the trust. If he were to die, the remainder of the trust money could be directed to go for the benefit of his children.