Willing Wisdom Index™

PERSONALIZED REPORT

Compliments of your Financial Advisor

Congratulations, Josh

You have invested valuable time to better understand your estate plan. There is no perfect score, just information to improve your plan. Remember, knowledge is power.

During the 12 minutes it takes, on average, to complete this questionnaire:

- 60 Americans died leaving more than $18 million to be inherited.
- 6 Canadians died leaving more than $1.5 million to be inherited.

YOUR WILLING WISDOM INDEX™

How prepared is your family to inherit?

74 / 100

The median Willing Wisdom Index Result score for this questionnaire since inception is 47, meaning an equal number of people have scored above 47 and below 47.

You have an estate plan that requires some attention. Work with an advisor to make small but important changes.

B+

HEALTHCARE

You have an average probability that your beneficiaries will be adequately prepared to advocate for your care. With a number of small changes to your estate plan, you can better prepare your family and friends to understand the role you hope they will play when you are in need.

B+

TAXES

Some planning gaps were detected in your estate plan, presenting some significant opportunities to reduce taxes that will be triggered by the settlement of your estate. Work with an advisor who can explain how and where changes can be made to minimize these taxes. Once completed, ensure that your estate plan keeps pace with changes to the law and to your own life circumstances.

A+

LITIGATION

Your estate plan suggests a lower-than- average probability of litigation. Your conscious effort to invest time in planning, facilitating and communicating among your intended beneficiaries, as well as in keeping your documentation up to date, is impressive.

B-

COMMUNICATION

You have made some investment in communicating the details of your estate plan to your intended beneficiaries. Now dedicate yourself to improving the frequency of your communications. Be mindful that a lack of transparency about the details of your estate plan can destroy family wealth and relationships.

B-

PLANNING

You have made some progress in planning your estate. There is some evidence that you have made conscious decisions about how best to divide your assets and are mindful of the impact your decisions will have on your beneficiaries. As you make changes to your estate plan, do so with the understanding that inherited wealth can release potential or accelerate pre-existing problems. Contact an advisor to help you plan your estate, keeping in mind the impact your decisions will have on your family, friends and community.

B-

GOVERNANCE

Your estate documentation is adequate but not complete. Changes in your life and to estate laws mean that you must remain committed to reviewing your documents annually.

YOUR TO DO LIST

Josh, your priority action items include:

1. Meet with an advisor to put in place estate planning safeguards to protect against your concerns about the spending habits of a beneficiary's partner.
2. Contact your executor and share your computer usernames and passwords, along with your social media usernames and passwords.
3. Meet with your advisor and update your will to itemize the disposition of your personal possessions, including your art, jewelry, automobiles and pets.
4. Arrange with your beneficiaries to share the same advisor in an effort to make your estate easier to administer and more tax efficient.
5. Give your executor and backup executor documentation relating to all gifts and loans you have made to beneficiaries.
6. Contact an advisor skilled in facilitating family meetings and arrange a meeting of your beneficiaries, including any charities named in your will.
7. Provide your executor and the person listed as your power of attorney (if different) with a copy of your up-to- date list of assets.
8. Compile a thorough list of all your assets, including investments, bank accounts, insurance, real estate and personal items. Remember to share this document with your executor and the person listed as your power of attorney (if different).
9. At your next family meeting, share a copy of your health care power of attorney/living will with all of your intended beneficiaries who are related by blood.
10. At your next family meeting, share with your intended beneficiaries the names of the people you have selected as your power of attorney and backup power of attorney.

JOSH, HERE IS YOUR CUSTOM WILLING WISDOM INDEX™ REPORT

You have a signed will

You have executed one of the most important documents in an estate plan. Sadly, more than 137 million American and Canadian adults do not have a will, including perhaps other members of your immediate and extended family, friends, co-workers and neighbors. Did you know that 4 US presidents died without a will? More astonishingly, 2 of them were lawyers!

A will is a great start but it's just the beginning of a great estate plan that will improve your late-in-life care and reduce taxes triggered by the transfer of assets. And, if all goes well, it will significantly reduce the probability of estate litigation.

Drafted by a lawyer

Your will was drafted by a lawyer, which is excellent. You might want to ask yourself another question: Did the lawyer who drafted your will specialize in estate law? You might consider having your advisor get their preferred estate planning lawyer to review your will and look for deficiencies that may cause confusion, or worse, litigation. Be sure to keep the original copy of your will in your own safety deposit box or fireproof safe, especially if your lawyer is older than you. Like other businesses, sometimes law firm partnerships dissolve, making it difficult to retrieve original wills.

You have an updated will

It is excellent that your will has been updated recently. Pick a specific date every year to review your will. Some people select their birthday; others choose a holiday like Thanksgiving when family is close and available to discuss estate-planning issues.

Your advisor is in the loop

You are smart to have had your financial advisor, accountant or lawyer review your will recently. Changes to your investments or to tax laws that you may be unaware of can have significant implications for your estate. Continue to keep your financial advisor and your accountant apprised of any changes to your will and they'll reward you with the best strategies for reducing taxes now and in the future

Sharing your wealth

You intend to leave your estate to more than one person. Whatever you decide, it is important that when you meet with your financial advisor you include your partner or other family members in the meetings so that they too develop competency with respect to your investment assets. Remember to also give your partner or other family member a copy of your will.

Disclosing your giving intentions to your partner and other family members at your next family meeting can begin an important family conversation about late-in-life care and how it will be financed. Anticipating, discussing and planning for major life changes before they happen is one of the greatest gifts you can leave your partner and

other surviving family. Be mindful that family dynamics can change profoundly when the second partner (“last to survive”) in a marriage considers their own estate.

Seek professional advice on this tricky issue

One of the most common giving decisions reflected in wills is to leave an asset to a surviving partner with the intention that it will ultimately be passed down to another specific individual in the fullness of time. This more than any other area of estate law should be discussed thoroughly with your financial advisor and lawyer. Concerns arise when you have children from a previous relationship or if your partner remarries if you die first. The concern in passing an asset or your entire estate to your partner revolves around protecting the inheritance of your children or others. Would you be concerned if your partner were to rewrite their will to, say, leave everything to only one of your children, or in the case of a blended family to their own biological children at the expense of your children or other intended beneficiaries?

If you want to ensure that a specific beneficiary receives something, rather than writing a joint will that is binding and irrevocable (cannot be cancelled), a trust is a wise option. Many estate lawyers encourage setting up a lifetime interest in a property (for example, allowing your partner to live in the house for the rest of their life, at the end of which it passes to your children). Alternatively, lawyers sometimes suggest a lifetime estate (allowing your partner to live off the proceeds of your estate, but the estate itself is held in trust for your children). Talk to your financial advisor and lawyer about this important aspect of estate planning. Unlike wine, this issue seldom gets better with age. Whatever you decide, share your intentions with all your family members so that there are no surprises when it comes time to settling your estate.

Building trust with your trust

By establishing at least one trust as part of your estate plan you have taken important steps to transition your wealth efficiently with a view to reducing taxes triggered by the transfer of assets. Now the real work begins in preparing your beneficiaries to treat inherited wealth with the respect it deserves. Talk with your advisor about holding a family meeting to help better prepare your beneficiaries.

You are smart to have shared. You have wisely disclosed to the beneficiaries of your trust(s) how your assets will be distributed. Seldom do financial surprises – even good ones – serve beneficiaries well. Transparency around the objectives of the trust will help your intended beneficiaries appreciate the intent and wisdom behind your gifted wealth.

If you haven’t already done so, taking the time to explain how a trust works is wise. Of all the concepts in estate planning, the trust is the most confusing. For some, it sounds like an estate planning solution exclusively for the ultra-wealthy; for many it carries the connotation of entitlement – ever heard the expression “trust fund baby”? The reality is that a great financial advisor can explain what a trust is, what it is not and how it works. Don’t be too intimidated or embarrassed to ask questions or ask your advisor to repeat their explanation. This area of estate planning has more than its fair share of confusing terminology.

Sharing your will says a lot about trust

You are wise to have shared a copy of your will with your executor(s). Go one step further and ask them if they have any questions about the document or your intentions. This simple conversation can lead to smoother administration of your estate – when an executor can say to surviving family members who are beneficiaries, for example, "I spoke to your father about this clause and his intent was clear." Often the idea behind the gift is as important as the gift itself.

Set your executor up to succeed. In 1968, when Bobby Kennedy was assassinated, it was revealed that he had left his brother John F. Kennedy as his executor – and of course he had been assassinated 5 years earlier. If you want to demonstrate advanced estate planning best practices, appoint a backup executor in case your primary executor quits or dies. Backup executors should also be party to all discussions with intended beneficiaries so that everyone is clear about the meaning of specific wording included in a will. For example, if a will says that an executor should disperse money to a beneficiary to meet a "need," examples of "needs" versus "wants" should be fully discussed and clearly understood by both the executor and the beneficiaries. Leaving your wealth takes wisdom. Show them just how wise you are.

Younger is smarter

You have selected an executor who is not more than 10 years older than you. As a general rule this is sound planning, especially if you are over the age of 65. But be diligent and well apprised of your executor's health. The statistical likelihood of your executor predeceasing you is obviously lower when your executor is younger than you. Should your executor die or become incapacitated before you and you do not change your will, your estate will incur unnecessary delay and expense. Appointing a backup executor is smart planning regardless of the age of your primary executor.

No executor experience

You have selected an executor who has not performed that duty before. It is not necessary or a legal requirement that you do. Prior experience alone is not evidence that your estate will be well managed. Your advisor can arrange for a lawyer to attend one of your family meetings to explain the duties of an executor. This can go a long way in helping you select the right person for the job.

Your lawyer can also explain the compensation that goes with the position of executor. In the absence of this conversation, family members who have not been selected as executor will sometimes assume that another family member has been accorded special status and privilege as executor or that the deceased loved that person more. A simple conversation about who the executor is, what they have to do and how they will administer the estate can go a long way to eliminating family disagreements and litigation. Setting your executor up to succeed can be one of the greatest gifts you leave to your family. If you think the cost of a lawyer attending your family meeting is expensive, consider that most estate challenges cost from $10,000 to $50,000 to get to trial. The average trial lasts 5 to 8 days and average cost is $21,000 per day. If that isn't enough to get you excited about getting your estate plan right, remember these trials are in open court for the public to consume for their own entertainment.

You have revealed your choice of executor

You have communicated to your beneficiaries the name of the person(s) you have selected as your executor. This is an excellent decision. Any concerns or disagreements expressed by your beneficiaries can be addressed. How others will receive the news of your decision will often give you a glimpse into the future of how your estate will unfold. You have also opened up the possibility for an excellent dialogue in your family meeting between you, your executor, your beneficiaries and your advisors about strategies to reduce taxes triggered by the settlement of your estate.

If we keep the name of our executor(s) secret, the opportunity for fuller, more comprehensive planning is squandered. If you have not already done so, consider going one step further and share with your beneficiaries why you selected the person(s) you did to be your executor. This can be a smart, strategic decision that has the potential to significantly reduce taxes triggered by the transfer of assets and limit the possibility of estate litigation. In some family meetings, the person who is considering the selection of their executor asks for input on the decision instead of making a declaration. By democratizing this decision we can often create a culture of cooperation built on mutual trust and respect.

Update your will

You have not updated your will more than once in the last year, which on its own is not necessarily a deficiency. The exception is if you have experienced significant changes in your life – for example, the birth or death of a child, parent or other intended beneficiary; the start or sale of a business; or your receipt of an inheritance that materially changed your own estate plan. Be mindful that keeping your will up to date is important, but that too many changes to your will, particularly as you get older, can open the door for legal challenges based on your mental capacity or undue influence. Most estate lawyers who have attended a bedside will amendment can speak to the difficulties and risks of leaving estate planning far too late. There is no such thing as being “on time” with your estate plan – it is a decision you make today to be either early or late.

No willing gaps

It is a sign of excellent planning that all of your beneficiaries over 18 have wills. People tend to believe that wills are for old people and that family members die in order. The reality is that a statistically significant number of children predecease their parents. Every day in the US and Canada approximately 700 people under the age of 50 die. If you are married, make sure that your partner has a will, that it was drafted by a lawyer and that it is up to date. Avoid the do-it-yourself will kits and holographic wills, which often lead to confusion, mistakes and ultimately estate litigation.

If you intend to leave all of your assets to your partner and then have your assets flow to other beneficiaries when your partner passes, it is essential that you have a clear understanding of how this will work. This is perhaps one of the trickiest areas of estate law, especially if you are dealing with second marriages and blended families. If you want to avoid litigation and the taxes triggered by the transfer of assets, it is especially

important to have your advisor review strategies to ensure that your assets transition to your intended beneficiaries in the fullness of time.

Consider a meeting of your beneficiaries

You have not held a meeting in the past year that included your all of your beneficiaries to discuss your estate plan. This is a significant missed opportunity that should be addressed as soon as possible. Even if you intend to leave all of your assets to your spouse or charity, it is crucial that you meet with representatives to discuss how your gift will be deployed. Not all charities are created equal and don't assume that they are immune from initiating legal challenges to secure more of your assets from other named charities.

Whether you have beneficiaries related by blood or marriage or not, there is no better way of reducing estate litigation and discussing late-in-life care than in the presence of the people and organizations who will inherit your wealth. Depending on how frequently you want to meet, you will come to understand that a meeting of your beneficiaries with your advisors present is an ideal way to build a durable estate plan. One of the major benefits is that everyone will receive the same information at the same time. It would be unlikely that someone would make a claim for a specific asset if that asset has been discussed in your meeting – especially if there are good minutes of these meetings. Meetings of beneficiaries will take on their own style and culture. One of the more interesting ideas is to rotate chairing duties so that each family member (including beneficiaries as young as 15) have a chance to lead the discussion.

Connecting family and charities to your wealth by telling stories about how the wealth was created, for example, can create healthy attitudes toward an inheritance. If you have accumulated significant wealth, it is vital that beneficiaries who inherit understand the magnitude of the assets heading their way. For many, this idea is counterintuitive. The prevailing thought is that the disclosure of a substantial inheritance will blunt the drive, ambition and work ethic of younger beneficiaries. While every person is different, the fact remains that should you die tomorrow and significant wealth transitions to the next generation or to a charity, the concerns about drive, ambition and work ethic won't go away – you're just not there to witness what happens. If you truly have concerns about the impact that inherited wealth will have on the lives of your beneficiaries or the charitable organizations you support, work with your advisor. Advisors have technical solutions to distribute significant wealth slowly to beneficiaries, be they people or organizations, as they mature and prove their ability to treat your wealth with the respect it deserves.

You are in the top 3%

You are the rare individual who has had the good fortune of attending a multi-generational family meeting recently. The highest functioning families strive for what is called a 3G meeting – 3 generations in one room discussing a broad range of estate planning issues.

Many 3G meetings have set agendas and advisors present to record minutes of the meeting. The larger the estate and the more meeting participants, the greater the requirement to adopt a more formal agenda and process. The very best advisors use family meetings as part of their planning process to reduce taxes triggered by the

transfer of assets today and in the future. It is common for outside resources to be brought into these meetings to teach or reinforce family culture and traditions with respect to wealth. Sometimes advisors will offer resources to a family member who is struggling with an addiction or marital problem.

Families that have a long tradition of meeting with advisors typically spend most of their family meeting time on shared philanthropy as a strategy to engage the succeeding generation in connecting with family wealth in a productive and healthy way. The more time and effort a family spends discussing the transfer of wealth, the more likely it is that their advisors can implement strategies to reduce tax for all family members. Family estate litigation is significantly less common in families that invest even a modest amount of time and resources in a multi-generational meeting.

If you attended your first family meeting to discuss estate planning issues before you turned 18, you will likely have clear memories of what you liked and disliked about these gatherings. Take the best and be open to new ideas about what a family meeting can be. Recent trends are making family meetings less formal and more interactive, with as much emphasis on shared experiences as on estate planning. All of this suggests that families can use conversations about the division and transfer of surplus capital to also reinforce a healthy perspective on their good fortune. This is crucial for building a family culture of trust and mutual respect – two ingredients that are always present when families reject litigation as a solution for resolving disputes before they escalate.

You know how to access advice

It is significant that at least one of your advisors attended your recent family meeting. With advisors present, family meetings are more productive and certainly less emotional. Exceptional advisors focus their practice on inter-generational wealth transfers and are familiar with a broad range of tax and legal strategies. Advisors can record minutes of these meetings and pay special attention to following up on action items agreed to at the previous meeting. Minutes of family meetings are another effective tool for discouraging litigation – especially if there has been no last-minute or capricious changes to a will.

You understand that more risk can mean more reward

You do not agree that the risk of disclosing the contents of your will to beneficiaries is greater than the risk of keeping it secret. You are in the minority. You possess a rare and impressive wisdom. When wills are kept secret, those who inherit are seldom close to guessing the actual amount they will receive. The implications can be devastating. Consider the example of a child, niece or nephew who is expecting a large inheritance and who receives a significantly smaller one but has done little of their own saving. Conversely, consider a beneficiary who has saved excessively and lived a miserly life, letting opportunities like education, starting a business or investing in one slip by, only to inherit a significant amount. Both of these examples can have complex and long-lasting consequences for beneficiaries and their families. The same applies to charities that may be expecting a large gift or small gift, only to be surprised and ill-prepared.

Work ethic is in your genes

You are not concerned that your gifts will diminish your beneficiaries' work ethic or drive to succeed. If this is something you feel confident about, consider opening up investment accounts in your beneficiaries' names and having your advisor teach them about saving and investing.

Every beneficiary is different. Some inherit significant wealth and through good advice and discipline turn it into vast fortunes. A family meeting is the place to explore whether an inheritance will release a beneficiary's full potential. Had Henry Ford and Bill Gates not had access to modest amounts of family money, we may not have the Ford Motor Company or Microsoft. A host of great companies have been founded by relatively young entrepreneurs with drive and ambition. The real gift we leave our beneficiaries is the wisdom to pursue their own dreams and ambitions. Both Ford and Gates pursued interests that were profoundly different from those of their parents. Similarly, consider endowing a charity that you have named in your will and assess the performance of their endowment fund. Charities that have a long-established culture and vision for the future are set up to receive this kind of support.

Revisit this issue with your whole family present

You indicated that if one of your beneficiaries is more active in your long-term care, you do not intend to compensate them while you are still living. This is a decision you may want to re-evaluate given the profound impact it can have on the quality of care you receive. It may also increase the likelihood of discord and litigation over your estate.

Providing care, providing oversight of care or simply advocating for your care is time consuming and exhausting work. For many who undertake this commitment, lost income, a lack of holidays, increased stress and a decline in the caretaker's own health take their toll. Resentment can build when other beneficiaries don't or can't share some of the workload because of geography or other reasons.

Whether initiated by the person providing the care or the person receiving the care, there is sometimes temptation to alter the will late in life to compensate the caregiver for their efforts. While there is nothing in and of itself wrong with this approach, understand that when your estate is being settled, beneficiaries who did not provide the care may contest your will on the basis of undue influence by the caregiver beneficiary and challenge your mental capacity to make the changes you did late in your life. Consider calling a family meeting today to communicate the concept of paying a beneficiary caregiver in real time for their efforts while preserving the concept of equality in your will.

If only one of your beneficiaries is likely to provide the majority of your late-in-life care, it is essential that you explain to that person today the importance of communicating with other beneficiaries about things that are going well and issues that are causing difficulties with your care. Regular family meetings or conference calls to update beneficiaries are crucial to avoiding disagreements relating to care. It is common for disputes over health care decisions to spill over into estate disputes and ultimately litigation. The vast majority of disputes are caused by a lack of transparency and infrequent communication. Consider formalizing weekly or biweekly meetings or conference calls to keep your beneficiaries apprised of any issues relating to your health.

Let others know you have saved for your own late-in-life care

You indicated that if you or your partner lives to 90, your intended beneficiaries will not likely need to fund a portion of your care. The cost of long-term care is extraordinary and often underestimated by those planning their retirement. Advances in medical care have meant that we are living longer than our parents but often with serious chronic conditions requiring expensive care.

One of the advantages of disclosing the contents of your will to your beneficiaries is that you disclose your intent to leave surplus wealth today should you die today. But because you are unlikely to outlive your money your beneficiaries will not need to add to their savings to fund your long-term care shortfall. Transparency in your finances, whether you have a surplus or a shortage of capital, is crucial for planning accordingly. Surprises, especially financial surprises, seldom serve you or your beneficiaries over the long term.

You have given everyone a powerful gift

It is excellent that you have taken the time to arrange for a power of attorney, which is simply a document that gives another party the legal authority to act on your behalf to manage your legal and financial affairs. Often those who try to save money by writing their own will also forget to write a power of attorney and miss one of the most crucial steps in preparing their estate plan.

You are a great communicator

You have done what so few people do – you have actually given the person named as your power of attorney a copy of the document. Nothing is more disheartening than watching a family search in vain for a power of attorney document that either does not exist or does exist but is hidden so well that no one can find it.

Leave them more than just your wealth – show them how to plan

Not all your intended beneficiaries know who you have selected as your power of attorney. Consider sharing your power of attorney at your next family meeting so that if the day comes that it needs to be invoked, other family members will be prepared for the decisions that need to be made. As with the selection of your executor, you may want to consider having your financial advisor or lawyer attend your next family meeting to explain the duties of a power of attorney and under what conditions those duties would be invoked. This is the kind of wise leadership and education that patriarchs and matriarchs share with family to ensure that wealth and family relationships are preserved.

You can’t outsmart dementia and other neurological diseases

The fact that none of your parents or grandparents have been diagnosed with or displayed symptoms of dementia or other neurological condition does not mean that such a condition will not affect you. Of all the medical conditions that can affect us as we age, dementia carries with it unique challenges. Having a full and open conversation with your beneficiaries about your expectations for care can provide you and your family with an extraordinary gift. Beneficiaries who avoid these

conversations can often find themselves embroiled in disputes about what you would have wanted. These can be heartbreaking emotional battles that lead to significant legal challenges over your health care and ultimately settlement of your estate.

Your family is lucky

Through your health care power of attorney/?living will, you have legally specified your health care treatment preferences should you no longer be able to make medical decisions for yourself, and you have appointed someone to make these decisions for you.

At the risk of oversimplifying, a living will explains whether or not you want to be kept on life support if you become terminally ill and will die shortly without life support, or if you fall into a persistent vegetative state. It also addresses other important questions, typically detailing your preferences for tube feeding, artificial hydration and pain medication in certain situations. A living will becomes effective only when you cannot communicate your desires on your own. It is usually limited to the refusal of, or desire for, medical treatment in the event of a terminal illness, a near-fatal injury or permanent unconsciousness.

This important document is not only a gift to yourself but also to your family, who will not have to wrestle with these decisions – especially in an emergency situation. People often think this document is just for the elderly. But if you are looking for an interesting gift for a family member, arrange an appointment with your advisor. Your advisor can arrange for a health care power of attorney for your children or nieces and nephews, for example. In the event of incapacitation, a health care power of attorney can bring some calm to an otherwise stressful situation.

Those who fail to plan, plan to fail. Individuals like you who anticipate the need for these legal documents set up their beneficiaries to succeed. This kind of planning greatly reduces the probability that family will litigate over the health care decisions made on your behalf and over your estate itself. If you are married and travel with your partner, others should have a copy of your health care power of attorney. Be sure to add this to the agenda of your next family meeting.

Sometimes the most valuable gifts are non-financial

You have not shared a copy of your health care power of attorney/living will with all of your beneficiaries related by blood. But this kind of planning and attention to detail can greatly reduce the probability that your beneficiaries will fight and ultimately litigate over the health care decisions made on your behalf. It will also significantly reduce the probability that disagreements over medical decisions made on your behalf will spill over into disputes over your estate in the fullness of time.

If you are married and travel with your partner, others should have a copy of your health care power of attorney. Be sure to add this to the agenda of your next family meeting. Estate planning is much more than just dividing wealth. It is about starting family conversations about life, aging and ultimately dying with dignity. This is an extraordinary gift to give yourself and your entire family.

Make a list and make it fast

Because you don't have a complete list of your assets, you will cause your executor to expend an unnecessary amount of time and effort. All of this extra administration will cost your estate.

It is strongly recommended that you contact your advisor and develop a comprehensive list of your assets and the background documents for these assets; for example, deeds to property or ownership documents for various assets like boats and planes. Ask yourself, "Will my executor know where my asset is located, who to call to retrieve the asset and how to value that asset if it is to be sold instead of gifted?" Many online tools are now available for organizing your list of assets, including account numbers, contact information and passwords. Organizing your personal affairs can be an intrinsically rewarding experience.

Share the list

You have not given your executor(s) a list of your assets and liabilities. Do it now. Consider going one step further by assembling the background documents for these assets; for example, deeds to property or ownership documents for various assets like boats and automobiles. Ask yourself, "Will my executor know where my asset is located, who to call to retrieve the asset and how to value that asset if it is to be sold instead of gifted?" If you can assemble all of this information into one spot and share it with your executor at your family meeting, your estate administration will be comparatively straightforward.

This simple step can eliminate much of the family bickering and legal disputes that often arise when assets and are revealed late in the estate administration process. One of the fastest growing areas of insurance is executor insurance, given the amount of litigation by beneficiaries who are either displeased with their share of the estate or the speed at which it is administered.

Who will turn off your social media?

You have not given your executor a list of your social media and computer usernames and passwords. If you have ever received a Facebook, LinkedIn or other social media message reminding you to wish your deceased family member or friend a happy birthday, you'll know how important this planning is. There is no more public expression of estate planning unpreparedness than these kinds of messages, which cannot be easily shut off without your password. Given the prevalence of online banking and bill paying, and the need to access important documents and contacts, you also need to share computer usernames and passwords. Organizing your estate in such a detailed and thoughtful way will be acknowledged by those who matter most.

The power of philanthropy

You're planning to leave part of your estate to charity. You probably know that one of the most effective ways of teaching the next generation to develop a healthy relationship with wealth is to show them that it can accomplish something other than personal consumption.

One of the most effective ways to prepare heirs is to invite the charity you hope to support to attend one of your family meetings. Ask the charity to make a presentation on the purpose of their organization and how they would use your specific gift. This presentation can open the door for additional questions from family members about the organization and its effectiveness. Similarly, these meeting can give the charity an opportunity to better understand the donor's intent and motivation for supporting their cause. It is extraordinary how many charities receive planned gifts (a gift included in a person's will) from people they have never met and for which there is a total absence of detail on how the charity should deploy the gift.

Ask yourself why not

You have not made a previous gift to a charity to which you intend to leave part of your estate. Depending on the size of the gift and the percentage it represents of your overall estate, serious legal challenges may be initiated by family members who may argue that the organization has exercised undue influence. Additionally, family may argue that if you altered your will late in your life to make this gift, you lacked the mental capacity to do so. Previous gifts back up your intent.

Understanding how a charity operates and how effectively it fulfils its mandate is good estate planning. This kind of due diligence is a great way to remind heirs that not all charities are the same. This attention to detail also reinforces the idea that like your life, your wealth can have meaning and purpose and make a difference.

Consider connecting next-gens to your wealth

You have indicated that you do not foresee a role for your beneficiaries to oversee your charitable gifts. Consider revisiting this decision at your next family meeting. One of the most inspiring gifts you can give your children and stepchildren is the responsibility to participate alongside the charity you decide to support in your will. Connecting children to your wealth and enlisting their support to become stewards of your charitable gifts can reinforce a positive healthy relationship with their own inheritance from your estate – not to mention reduce the potential for estate litigation.

Communicate the reasons for your giving decisions

You do not intend to leave a gift to a charity that is more valuable than any gift you plan to leave to a beneficiary listed in your will. The relative proportion of your estate that flows to charity vs. any one beneficiary, and the relative effect your gift will have on the financial position of your beneficiaries at the time of your death, is a personal decision.

Whatever the division of your estate between charity and family, it is paramount that you communicate your intentions at your next family meeting. Your advisor should be present when you disclose or revisit this issue. It is important that these conversations be documented in an effort to avoid litigation over your estate. If there is one issue to capture in the minutes of your family meeting, this is it. Amending your will in this respect, especially late in your life, and not sharing the decision with your beneficiaries can create extraordinary challenges for your executor.

You were taught well

You indicated that you have a copy of a parent's will or had a copy before they died. Family Systems Theory suggests that family members often repeat learned behaviors. You experienced a family system that shared estate plans and are therefore more likely to extend this practice to your own beneficiaries. This culture of transparency offers a significant advantage to the next generation in working with advisors to implement estate planning solutions that can reduce taxes and reduce the odds of estate litigation.

History can teach, but be open to pioneering

You have already inherited so you likely remember how it affected your life. Be mindful that everyone experiences an inheritance in his or her own way, which may be different from yours. Some people spend their inheritance quickly; others never spend any of it and elect to invest it for the benefit of their own beneficiaries. Others will donate some or all of their inheritance to charity in memory of the person who bestowed the gift. The more a family can discuss in advance how an inheritance will be deployed, the more likely it is that individual family members will remain high functioning even if they exercise different options. Exploring new ways to transition your wealth and wisdom can be a fundamentally exciting and rewarding collaboration that builds mutual trust and respect.

You have inherited wisdom from someone close

Because your estate will likely be worth more than the estate of your last surviving parent, you are encouraged to be open to planning structures and strategies that may be completely different from those your parents used. Your advisor can review your current plan against best practices and generate specific recommendations to reduce taxes triggered by the transfer of assets.

Consider sharing with your beneficiaries why your estate is likely to be larger than that of your last surviving parent. If you deferred consumption and if you inherited, consider sharing with your beneficiaries how much you inherited. This level of financial transparency is rare, but this kind of disclosure can help the next generation understand how you have done your own work to manage inherited wealth for the benefit of others. Talking openly as a family about inheritances in a healthy, positive context can help succeeding generations prepare to inherit not just wealth but the determination to invest and deploy wealth wisely.

Borrow from the past

Because your own inheritance did not materially change your financial independence, you may view estate planning as a non-event. Be mindful of the value of your own estate and the profound impact it could have on your own beneficiaries. Reflect on whether the transfer of wealth to you could have been approached differently. Ask yourself whether there was ample preparation for you to receive your inheritance. Did you have the right investment and tax advisors? Did you spend too much too soon, or did you instead have some ambivalence toward this wealth that prevented you from spending it?

As you reflect on your answers, think about how you can better use your advisors to help prepare those who will inherit your wealth. Most of all, as you reflect on the conversations you had prior to receiving your inheritance, ask how you might expand

and broaden those conversations with your own beneficiaries, beginning today.

Proof that you've given this some thought

It's noteworthy that you know the gift you intend to leave to one of your beneficiaries will not at least double their personal net worth. Many people have no idea how much wealth their beneficiaries have accumulated, either through employment or from inheritances from other family members. If your beneficiary is married, it is common for there to be little discussion of personal finances, again making it difficult for most people to answer this question.

The doubling of a beneficiary's net worth through an estate gift can have a significant impact on their lifestyles. The more conversations you can have to prepare your heirs for this gift, the more likely it will lead to positive outcomes. A proportionately large inheritance without preparation can be akin to winning a lottery – the destructive impact of sudden wealth is well documented. Inherited wealth can release potential or accelerate demise – it seldom equivocates. With this knowledge, seek to understand how even a relatively small gift can significantly alter a beneficiary's life. Use your family meeting to explore this question.

Consider making this smart move

You currently don't share a financial advisor or accounting firm with any of your beneficiaries. One of the most overlooked benefits of having the same advisor as a family member, for example, comes at the time of administering your estate. The presence of an existing relationship with an advisor or firm can make the transition of wealth seamless. Advisors who build a family-centered practice have a wider, more holistic view and have usually attended family meetings. This level of involvement can often lead to more coordinated and comprehensive estate plans that significantly reduce taxes triggered by the transfer of assets.

Give, measure, talk, repeat

You have already given cash to someone you intend to list as a beneficiary in your will. Living gifts provide an opportunity for both you and the recipient to discuss how that gift was deployed. For some beneficiaries, building future wealth is intuitive; for others it is a learned behavior that needs to be taught and reinforced. Your family meeting with your advisor present can help facilitate these discussions.

Only you and your beneficiaries know what's right

No one can judge or prescribe whether your decision to divide your estate equally among all your beneficiaries is the right decision. We do know from analyzing estate litigation cases involving siblings, for example, that when a will maintains the concept of equality, legal challenges are less frequent and less likely to succeed. Will challenges are also less likely to succeed if the family has discussed the concept of equality in their family meeting and if you have not amended your will late in your life.

The concept of equality poses a real and complex challenge when a living gift of cash or real property, or a loan, has been made to, for example, one sibling but not to others and has either not been documented or not communicated to other intended

beneficiaries. The notion of estate equalization can be a flashpoint for litigation, especially when the concept of “equality” gets tipped in favor of one beneficiary. This can happen when the present value of your living gift is not deducted from that beneficiary’s inheritance. Because time is money and the real rate of return is a subjective calculation, be mindful that disputes can arise over the amount ultimately deducted from an individual’s inheritance. Having the wisdom to communicate your decisions in advance can help your beneficiaries maintain healthy relationships among themselves. The real gift is leaving a family that works well without us, not broken in part by the way we gave.

You have a clear idea of equality

You have indicated that you don’t intend to leave different assets of equal value to your beneficiaries. Maintaining the concept of equality is one of the most common and helpful decisions for avoiding estate litigation. This is especially true when your estate comprises many different kinds of assets. You likely already understand that different asset classes – for example, a business or a cottage – are treated differently than, say, cash. So while 2 different assets may have the same value, they can have significantly different net tax values in the hands of your beneficiaries. Your advisor can review the tax consequences of inheriting different asset classes. If you change your mind and do decide to leave different types of assets to different beneficiaries, it is imperative that you seek a comprehensive tax review so as to limit the potential for estate litigation. Your advisor can provide a review of this issue at your next family meeting.

Be mindful that spending habits can change

You are not concerned about the spending habits of your intended beneficiaries. Consider yourself fortunate. This is one of the most common concerns, especially among those who have accumulated significant assets or who intend to leave assets that will materially change the financial fortunes of their beneficiaries. For some, the temptation will be to insist that an overspending beneficiary change their spending habits under the threat that the inheritance will be redirected to other beneficiaries or placed in a trust.

No one can judge the appropriateness of that strategy, but you can invest in a process to teach your intended beneficiaries how to reframe their relationship to inherited wealth. Your advisor can work with the next generation and provide useful resources to help them to become responsible inheritors. One of the tangential benefits of this kind of education is the reduced likelihood of estate litigation.

The spender spouse – look to your advisor for help

Your concern about the spending habits of at least one of your intended beneficiaries’ partners is a common concern but not one that will likely resolve itself on its own. But it can be addressed in a family meeting through proper facilitation and through technical solutions, such as the use of trusts. Your advisor can work with you on a strategy to manage this potentially serious concern about the preservation of your gifted capital.

Proof that you are pragmatic

You and your advisor have discussed technical estate planning options to protect your

assets from marital breakdown even if your beneficiaries are not yet married. Congratulations – you have done what few do. With approximately 40% of marriages ending in divorce, considering this issue in the context of your estate plan is smart.

Even after they have implemented the appropriate plans, many rely on their trusted advisors to introduce marital counseling resources to their intended beneficiaries. This multi-generational approach to investing in relationships is one of the best ways of investing in the preservation of family capital. There is a difference between meddling in the relationships of your beneficiaries and genuinely investing in caring solutions. How the offer of support is extended can be as important as the support itself.

Gifts can accelerate addictions

You do not have concerns about drug, alcohol or gambling addiction with your intended beneficiaries. If this changes, be mindful that inheritances can release potential in the next generation or they can accelerate pre-existing problems. If any signs of an addiction present themselves, plan your estate in a way that will ensure that any asset you leave to a beneficiary will not cause additional harm.

A reflex response is sometimes to threaten the beneficiary in question to seek help or be removed from your will entirely. Often when people follow through with this strategy, the disinherited person will sue your other beneficiaries seeking equitable treatment. Those disinherited often project their anger toward surviving family rather than to the person who died. Your advisor can review how you can use trusts to maintain the concepts of equality and yet delay or permanently deny a beneficiary who suffers from an addiction access to their inheritance until such time as they become healthy. One of the significant benefits of holding a family meeting and addressing issues of this nature is that everyone hears the same message about your concern at the same time. This can be one of the greatest gifts you give a family member suffering from an addiction, and an equally wise and powerful gift to your executor.

Disability could become an issue

You do not have any beneficiaries with permanent disabilities who will require ongoing financial support after your death. If your situation changes you must discuss and implement special arrangements to provide for continuing support for this loved one. Your advisor can explain the wide range of options, from financial considerations to guardianship in the case of a minor (under age 18) who is under your care and supervision.

Your hopes, desires and expectations of care for your disabled beneficiary are not things you can simply assume others will understand and continue when you’re gone. If a considerable percentage of your estate needs to be directed to providing special care for a disabled relative, this decision should be communicated early and often to other family members at your family meetings. In the absence of this conversation, silence can introduce many emotions about what the future will hold for all family members. Your real gift to your family is a detailed conversation about a future that you will not be a part of.

You have invested in relationships

You do not intend to exclude any of your children from your estate. If for some reason you do decide to disinherit anyone (that is, exclude someone you have previously disclosed was included in your will), be mindful of the implication this decision can have for other beneficiaries. No one can tell you whether disinheriting a family member is an appropriate decision, given the personal nature of wills and the complexity of family relationships. That said, it is most common for this decision to remain secret until the time a will is probated (accepted by the court as your legal will). The revelation of the secret that a presumed beneficiary related by blood has been fully disinherited can be met with extraordinary anger and swift litigation.

If ownership of the decision to disinherit one of your children is born solely by you and communicated in a family meeting, other family members are sometimes spared the acrimony and long, expensive litigation. In the absence of such communications, those who are disinherited and aggrieved will often project their anger on their family – siblings, for example. If after the disclosure of a disinheritance your family meeting deteriorates, you will get a glimpse of what is in store for your intended beneficiaries when your estate is being settled.

Talk to your advisor about strategies involving living gifts and trusts that would mitigate the likelihood of litigation of your estate. If you implement these technical solutions, they too should be communicated to all your beneficiaries and especially to the disinherited party via your family meetings.

Indulge your curiosity and ask the big question

Because you have not asked your intended beneficiaries what they would do with an inheritance, those who inherit your wealth may be estranged from its meaning. Silence around the purpose of an inheritance can sometimes diminish a family's commitment to preserve capital for the benefit of future generations. By asking this question you leave open the possibility that while your heirs may continue supporting many of your interests, they may also go on to pursue very different but important goals. Questions are different than proclamations; by asking what your wealth can accomplish for family and community, you leave open opportunities to collaborate on the design of your legacy. The conversation and the wisdom you share with your beneficiaries may prove to be as important as the wealth you leave. The best estate plans are built on reciprocity and understanding that we have as much to learn from those who come after us as we do from sharing our own wisdom.

You are mindful of family relationships

You do not intend to leave more to your grandchildren than to your children or stepchildren. While no one can say this is the right or wrong approach to transferring your wealth, you are likely aware of the impact the opposite decision can have on the relationship between your children and their children. Estate planning is more than just tax efficient wealth transfer. Despite some tax advantage to generation skipping, it warrants a thorough discussion in your family meeting of the full implications.

In some instances wealth is left to grandchildren because there is a greater perceived need: grandparents may look at their children's lifestyle and see affluence and assume there is no need for their wealth. But inheritances can and should be more than just about wealth and need. Understanding that parents are usually in the best position to

guide their own children's future, generation skipping can have long-lasting negative implications for family relationships.

You taught them well

You indicated that none of your intended beneficiaries currently spend more than they earn. This is such an obvious question but one that is often overlooked in family meetings. Clearly someone has reinforced the importance of savings as part of your family's personal finance culture. Reinforce this principle early and often and when the time comes your estate will be treated with the respect it deserves. Ask your advisor for additional resources to work with the next generation to become exceptional savers and investors. Mastering simple financial concepts early on can form healthy life-long habits that will serve the long-term goals of capital preservation. If the family itself grows faster than the returns of invested capital, family wealth will ultimately be diluted and consumed.

In the end, there are no secrets

No one can say whether your decision to make a monetary gift or loan to one of your beneficiaries but not to others was well advised or not; after all, it is your money and you know your own beneficiaries best. However, be mindful that in the fullness of time, secrets involving money will certainly be revealed.

Many families adopt the concept of a family bank and discuss all gifts and loans at their family meetings. While this level of financial transparency is rare, one can understand why this practice has evolved. While many people talk about how living gifts can be equalized after death – in other words, simply by subtracting the gift or unpaid loan from a beneficiary's inheritance – seldom does this leave all family members satisfied. Because time is money, it is always a subjective exercise to calculate the present value of the gift at the time of estate equalization. One approach to consider when making a gift to, say, one child or stepchild is that you make it to all, with the one exception being that children under 18 would receive their gifts in trust. If you can't afford to extend the gift to all children at the same time, then the gift being contemplated for one person is likely too large.

Share everything with your executor

You have not given your executor copies of promissory notes capturing the terms of the loans you have extended to beneficiaries. This is a problem that will make it difficult for your executor to succeed. You have placed your executor in the position of having to reconcile how much principle and interest has been repaid, which will be difficult without knowing the prescribed interest rate and repayment terms that were agreed to. The more information you provide to your executor and to other family beneficiaries, the more likely that estate litigation will be avoided.

Small things can cause big legal problems

Your will does not deal with the division of real property or your personal possessions such as your home, jewelry, art or pets. This is a planning gap that needs to be addressed urgently. If your list of property is not comprehensive there may be disputes over who gets what, and disputes over who was promised what. Alternatively, you can have your real property assets valuated so that there may be a rational, non-emotional

tally of who gets what with the view to keeping the concept of equality in balance. Another approach to consider is instructing your executor to release cash first and further instructing beneficiaries to purchase a desired asset from the estate. After the estate has sold all the real property assets, the estate can then redistribute the cash proceeds back to the heirs in the same proportion that the original cash was distributed. This approach allows beneficiaries with no or lower incomes to purchase items from the estate that they truly value.

Whichever approach you choose, make sure to explain and discuss it in a family meeting to avoid future confusion and disputes that can lead to litigation. Sometimes it is the distribution of items with relatively low economic value but high emotional value that divides families – there are no better examples than jewelry and pets. Get out in front of this issue now by working with your advisor to help prepare and communicate your asset list to your intended beneficiaries.

More evidence of smart planning

You have indicated that all of your beneficiaries will be equal beneficiaries of your bank accounts. While no one can assert whether this decision is right or wrong, beneficiaries for bank accounts are often designated for practical reasons and to prevent these assets from being subject to probate tax. In the case of bank accounts, making all your beneficiaries beneficial owners will maintain the balance of equality and perhaps set the family up to avoid future disputes. Many times, making just one family member the designated beneficiary is a practical solution so that they may help with your personal finances – for example, paying bills. Be mindful of the optics and the problems this may create when your estate is being settled. It can create the perception that some have inadvertently received more. If your intention is for one beneficiary to receive more, you may want to disclose and explain your decision to all your beneficiaries in a family meeting.

Whatever you decide, be purposeful and wise

You do not believe you should use your will to equalize the incomes of all your beneficiaries. The reason this is the very last question is that there is no right or wrong answer. The question speaks to the very personal nature of wills and what we hope to leave as a legacy. It speaks to the fundamental concept of what it means to be a family and it speaks to the role of merit versus need. Whatever you decide, discussing your thoughts, ideas and beliefs with those affected by your decisions is the greatest gift of all – that is Willing Wisdom

Josh,
Take a moment to congratulate yourself.

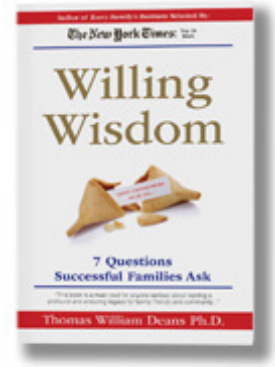
You have invested time and imagination in a subject that many people ignore. Estate planning is so much more than dividing wealth – it's about leaving relationships that work well when we are gone. When you will with wisdom, it is wisdom that you will. This is your greatest gift to family, friends and charities that will continue your work. This is your gift to yourself and to humanity.

—Dr. Tom Deans, international best-selling author of Willing Wisdom

To help implement the recommendations in your Willing Wisdom Index™ Report, consider ordering your copy of *Willing Wisdom*.

Sharing your Willing Wisdom Index™ Report with a family member, and comparing your results, is a great way to begin your own family conversation about your estate plan.

If you received a free access code to complete the questionnaire, your advisor wants you to know that additional free promo codes are available. The Advisor who has shared The Willing Wisdom Index can help you implement your recommendations, consider forwarding your report to them.



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