

Have You Ever Attended an
Estate Preservation Workshop or
Training?



What Do These Sessions
Typically Focus On?

What is traditional estate planning?

- Count the beans

What are the Typical Goals of Estate Planning & Why do we Bother?

- Maintain standard of living
- Prepare for the unexpected
- Provide for a surviving spouse
- Assist the kids
- Avoid taxes

What are the Challenges with Traditional Estate Planning?

- Laws regarding taxes are in a constant state of flux
 - i.e. estate, gift, inheritance, capital gain & income
- Personalities & expectations of our beneficiaries differ
- Unpredictability of the economic horizon

70% of Wealth Transitions FAIL*!

&

“65% of wealthy families have lost the family wealth by the end of the second generation. By the end of the third generation 90% of wealthy families will have lost the family wealth.”

E.G. “Jay” Link
“Family Wealth Counseling”

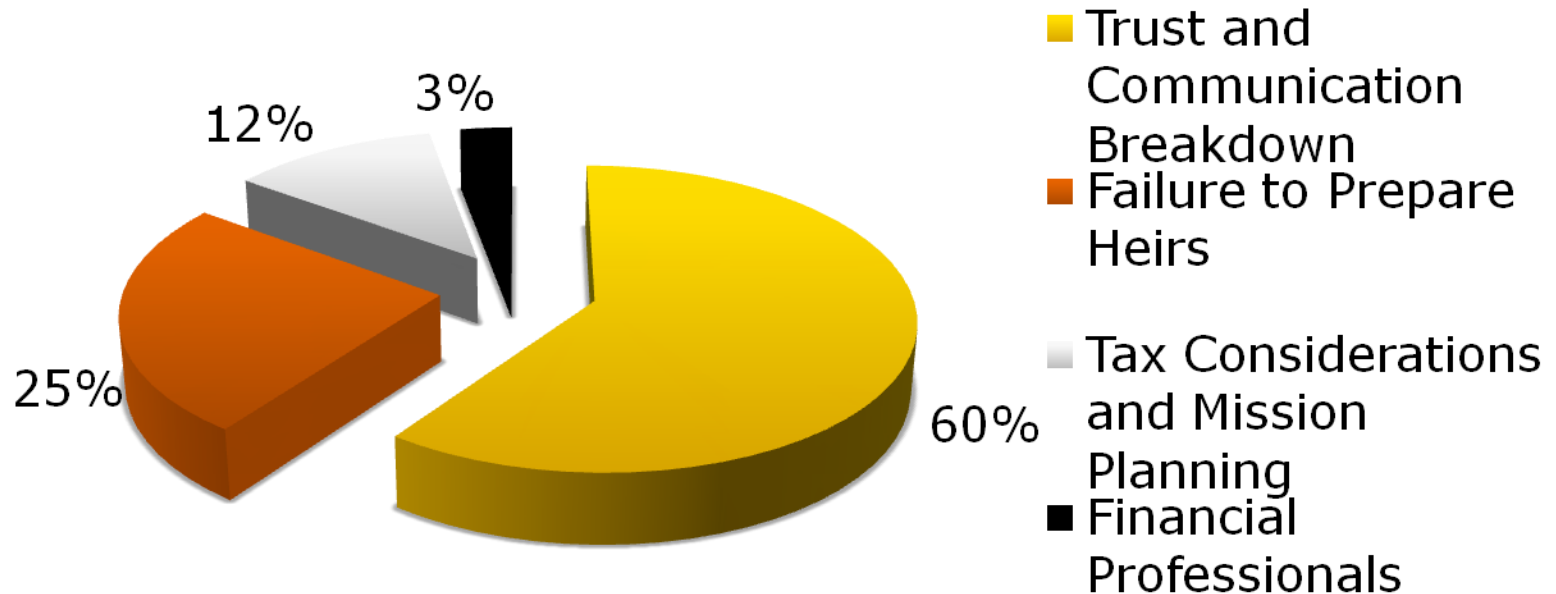
*Failure was defined as “involuntary loss of control of the assets”.

Traditional Sayings

- Shirtsleeves to Shirtsleeves...
- Clogs to Clogs
- 富不过三代 (Fu Bu Guo San Dai)
 - Wealth never survives 3 generations

What Causes Wealth Transfer Failures?

Wealth Transfer Failures



Roy Williams & Vic Preisser: Preparing Heirs: Five Steps to a Successful Transition of Family Wealth and Values

90% of the problems in inheritance can be avoided by talking to your parents before they die.”

- John L. Levy
Psychological Consultant Specialist
in the Problems of Inheritors

Shifting Philosophy

□ Traditional Estate Planning

1. Keep as much of your earnings as possible
2. Transfer what is left to your kids

□ New Philosophy of Estate Planning

1. Keep as much of your earnings as you need
2. Transfer to your kids an amount you deem appropriate
3. Take control over the distribution of what is left

Implementing the New Philosophy

□ **I.** Identify

□ **R.** Record

□ **S.** Share

VISION PLANNING

Final Thoughts

You already have an estate plan whether you know it or not

If at first you do succeed – try to hide your astonishment

Harry F. Banks