Legacy Planning Resources

By Mark Harbour, CPA, CIMA®, CFA®

The life of the dead is placed in the memory of the living.
—Marcus Tullius Cicero

My late father-in-law was a funeral director in Missouri. In getting to know him over the years, I became acquainted with, and developed an acute appreciation for, his work and what it meant to support survivors and families in their time of grieving by providing strength and help. He would state it in direct terms by saying, “Death is not a question of if, but a question of when.”

In addition, in my former role as a practicing CPA and financial planner/advisor to individuals and families, I worked with a number of survivors. One of the lessons I learned—particularly in those situations when no advance plans were made—is that proactive planning for aging clients and their ultimate death is immensely valuable for surviving family members. Such planning also can enhance appreciation for life by catalyzing action plans with family and friends as a result of thinking about when it ends.

As financial advisors, we have the obligation—particularly when dealing with mature adults and families—to catalyze planning activity at a minimum to ensure that estate plans are in place from a legal standpoint. By encouraging this planning, we also help our clients form an overall framework to address how things are to be handled by others during their lifetimes and beyond. The discussions that ensue can add substance and trust to the advisor/client relationship.

As longevity increases and the over-65 population grows, the need to deal forthrightly with these issues grows, too. The following are some of the resources available to help you support your clients through this process.

**Everplans.** A relatively new web-based system for storing1 and providing access to others (e.g., survivors, trustees, those granted powers of attorney) for specific data regarding estate plans, funeral plans, and personal information relevant to others who may need to step in to assist aging clients or in case of death or disability. The website has a number of reasonably comprehensive checklists for various planning needs. https://www.everplans.com/#/?_k=ed4hm.

**MIT AgeLab/Transamerica.** This partnership has produced a helpful framework for thinking of retirement in four stages, outlined below; more information can be found at http://newageofadvice.com/research/mit-agelab/mit-agelab-articles/mit-4-phases-retirement/.

1. Managing ambiguity, which is characterized by resources and well-being comparable to life during full-time work. This is the time to plan for potential decreases in resources.
2. Making decisions, when work fades from view and travel, family, and volunteering become reality. With more free time and active mental capacities, this is the time for major decisions about planning and resources, particularly health care and well-being. Trusted advisors also may be retiring, which may catalyze the review and selection of successor advisors.
3. Navigating complexity, when health-care planning is most important, because healthcare spending rises significantly for those ages 65–84.
4. Living alone, when health and daily living issues may require resources and risk management, particularly for those who have had a fall or stroke. Almost half of women over age 75 live alone.

**Dementia.** MIT AgeLab and Transamerica have produced an excellent resource in “The Advisor’s Guide to Financial Planning in the Shadow of Dementia,” available at http://newageofadvice.com/files/4314/1226/7588/Advisors_Guide_to_Financial_Planning_in_the_Shadow_of_Dementia.pdf. Consider just one of the report’s revelations: Deaths due to diseases such as breast cancer, prostate cancer, heart disease, stroke, and HIV decreased from 2 percent to 52 percent between 2000 and 2013, but deaths due to Alzheimer’s disease increased substantially during the same time period.2

**Fidelity.** See the checklist for inheritance at https://www.fidelity.com/estate-planning-inheritance/inheritance/getting-organized/survivor-checklist.

**USAA.** This site includes a basic checklist as well as some ideas particularly appropriate for military/veterans. https://content.usaa.com/mcontent/static_assets/Media/IF_survivors_checklist.pdf?cacheid=1711810922_p?SearchRanking=4&SearchLinkPhrase=checklist.

**Janus.** See the basic checklist “Women and Widowhood” at https://17eb94422c7dc98ec1b-8601c126654e9663374c173ae837a6562.ssl.cf1.rackcdn.com/Documents/advisor/Retirement/Women%20and%20Widowhood%20Client%20Checklist.pdf.
Jim Grubman, PhD. Grubman is a consultant, speaker, and educator in the multidisciplinary field of family wealth psychology (http://jamesgrubman.com). He shares these insights for dealing with others’ grief:

- Remember that the normal bereavement timeline can take up to 18 months and still be on track.
- To be effective with grieving clients, listen more, express more empathy than sympathy, delay big decisions 6–12 months if possible, and be prepared to go over important things more than once.

Amy Florian. Florian’s website, http://www.corgenius.com, has excellent resources for specialized work in dealing with grief. She cites Oppenheimer and Neuberger Berman studies suggesting that 50 percent of widows switch financial advisors after the death of a spouse, and 70 percent of widows switch advisors within three years of the death, making clear that advisory relationships with spouses are important. Also see Florian’s book, No Longer Awkward: Communicating with Clients through the Toughest Times of Life (2014) and her summary article in the Journal of Financial Planning, “Ten Principles for Effective Grief Support” (February 2011).

Books. Stacy Allred, of Merrill Lynch, has worked for many years as a planner for individuals and families and has led instructional classes for our profession for firms and professional organizations. She recommended the following books:

- Transitions: Making Sense of Life’s Changes by William Bridges (1980), examines the psychology of changes.

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Endnotes

1. For security, you may wish to review the process and systems measures they use to protect client data.