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Editor's Note: This article is based on the forthcoming book Riveted: 44 Values That Change the World *by David R. York and Andrew L. Howell.*

> *Fewer baby boomers are implementing wealth transfers during their lifetimes compared to the greatest generation (9 percent versus 34 percent), and 72 percent of baby boomers plan on doing estate planning differently than their parents (York and Howell 2017).*

When it comes to estate planning today, few words are used as often as the word "legacy." Surveys of wealthy Americans reveal that high-net-worth individuals are far more concerned than their parents about how their wealth will impact successive generations and more concerned about the negative effects of inherited wealth. In fact, fewer than one-half of baby boomers think wealth transfer is important, and only 3 percent believe they have any obligation to leave anything to their children. Fewer baby boomers are implementing wealth transfers during their lifetimes compared to the greatest generation (9 percent versus 34 percent), and 72 percent of baby boomers plan on doing estate planning differently than their parents (York and Howell 2017). Although boomers are less interested in transferring wealth and more concerned about the negative effects of estate planning, 75 percent of baby boomers surveyed agreed with the following statement: "It is extremely important to me that future generations remember my parents and what mattered to them."

THE FIVE ESSENTIAL TRUTHS OF LEGACY

It's because of this changing landscape that the word legacy is being used increasingly by both financial advisors and estate planners. That said, the word legacy can mean different things to different people. There are two primary definitions for the word. The first is this: An amount of money or property left to someone in a will. That's the definition that most planners gravitate toward. It's the second definition, though, that seems to be capturing the hearts and ideals of an increasing number of clients, and that is this: A thing handed down by a predecessor.

The following are five essential truths about a legacy and how it should be viewed in the context of estate planning:

Legacy is more than money. Because the term legacy has been used in conjunction with finances, we too often marginalize the word and lose its richness and meaning. Financial resources come and go, but lasting legacies are found in our passions, our actions, and our words. Pericles, wise policy maker, generous arts patron, and dignified leader of the Athenian Golden Age, said thousands of years ago, "What you leave behind is not what is engraved in stone monuments, but what is woven into the lives of others" (Price 2017).

Legacy is not neutral. We often think of legacy solely in terms of the positive qualities that we hope to be known for or the inimitable contributions that we leave with others. But the reality is that legacies can be positive or negative. Slavery in the United States left us with the negative legacy of segregation and racism, which continues to affect us today. Negative family legacies can include things such as abuse, addiction, or dysfunctional communication.

Legacy is not optional. We all will leave a legacy, and likely multiple legacies. Our legacies, the things we hand down, are left to our families, our co-workers, our communities, and our country. We will all become the predecessors of the future. We cannot opt out of leaving a legacy or delude ourselves into thinking that we don't or won't have an impact on others. As former Arizona Governor Jan Brewer said, "As you go through life, no matter what you do, or how you do it, you leave a little footprint, and that's your legacy."

People are more legacy-minded today than they have been for hundreds of years. Lately there is less focus on inheritance and more on impact, which has the potential to be an incredibly beneficial shift, especially because boomers are projected to leave upwards of $40 trillion to the next generation. The concept of legacy now involves emotional legacy, the ways we affect one another through daily interactions over the course of years. As more people consider their families of origin, and how they've been impacted by them, there is a greater sense of personal responsibility to right the wrongs of the past and to work toward transformation in the portions of family legacies that aren't constructive. Social, spiritual, and emotional legacy are all intertwined with financial legacy.

Legacies can be changed. The fifth and perhaps most important truth is that our legacies shift and change until we die. Consider John Newton, born in 1725 in London, England. His mother died when he was six and he was raised by a cruel stepmother while his father was at sea. At 11, he apprenticed on a ship but was so disobedient he was pressed into service with the Royal Navy, where he openly mocked his captain with obscene poems and songs. He got recognized as the foulest mouth in the British Navy and credited with inventing several new expletives. He got into so many fights that he was imprisoned at sea and sold into slavery. After regaining his freedom, he then worked in the slave trade. But a few near-death experiences led Newton to examine his life and, at 33, he began studying theology. At 48, he drew on his poetic roots and wrote a hymn that starts like this: "Amazing grace! How sweet the sound, that saved a wretch like me. I once was lost, but now am found; was blind but now I see."

A NEW APPROACH TO PLANNING

Traditionally, estate planning has focused on structure and followed a dump, divide, defer, and dissipate model. The assets are dumped on the next generation, divided among the children, attempting to defer any taxes, and finally dissipated within one or two generations. It's a shotgun approach to wealth transfer. It's like building a roaring campfire, then trying to divide up the burning logs among all the people huddled around and expecting them to effectively care for, transport, and replicate that fire. It's largely because of the dump, divide, defer, and dissipate model of estate planning that 90 percent of wealth accumulated by the first generation is gone by the third.

What if, instead of focusing on a generic model for wealth transfer, we focus on aligning the values of a family with their tangible assets in order to empower the maximum amount of multigenerational good with the least amount of collateral damage?

ESTATE PLANNING AND VALUES

Values are the great driver of human behavior. When faced with any decision, from the simple to the complex, we tend to choose in favor of what we value the most. The problem for many people is that they are not consciously aware of what they value. As a result, they continually make decisions that create confusion and contradictions in their lives. This is also true in the area of estate planning.

VALUES DEFINED

The whole notion of human values has evolved greatly over recent years. Value itself is an abstract idea—and one that can cover a lot of ground—so its meaning can vary from person to person. But the concept of values needn't be complicated or idiosyncratic.

The word "value" originates from the financial realm. The word derives from the Latin word for strength and originally meant material worth. Whether we're referring to stock, land, or personal property, when we talk about something having worth, we talk about its value. Over time, the word came to mean innate worth. Accordingly, a personal value is something that has worth to you; something that you strive toward and are willing to pay a price to obtain.

A value, stripped to its essence, is an ideal—or benchmark—that we consider important in guiding the way we live and work. Compassion, justice, productivity, honesty, and creativity are all examples of values. Values give purpose, meaning, and shape to human life. Like an internal GPS marker, a value drives what we do and how we act, in our personal lives, in our families, and in our businesses and organizations. One of the most effective ways of helping your clients transition from a traditional estate plan that focuses on financial wealth transfer to a holistic riveted estate plan that creates the greatest potential for a positive legacy is to start by focusing on values.

Most of us have a general idea about the kinds of values we hold dear, but relatively few of us could identify and name our core values in order to use them as a lever for living a more engaged and meaningful life. Knowing our core values is empowering because the better we understand our values, the better equipped we are to make purposeful, practical, and principled decisions about our lives.

You will probably discover that many, if not most, of your values are rooted in your life story. Values are lived things, not stuffy abstractions. Perhaps there was an admired figure in your early life who influenced you and whom you wish to emulate. Perhaps your parents or teachers rewarded you for exhibiting certain values. Perhaps you experienced suffering and made a vow—consciously or not—to prevent that kind of suffering from happening to others. Telling your story helps you better understand how you formed the values you hold dear and why they are important to you.

FOUR STEPS TO A RIVETED ESTATE PLAN

Rivets are permanent fasteners that fill empty spaces in order to create connections. They literally hold a structure together. What holds an estate plan together—beyond the document itself?

Values are the rivets of a riveted estate plan and its attendant legacy. Just as rivets hold a suspension bridge together, our values connect our financial capital and our human capital. The process of transferring holistic wealth on a multigenerational basis is similar to the process of building a suspension bridge. Wealth is far more than numbers on a balance sheet. The transfer of our wealth in all its forms is the primary objective of a riveted estate plan. As each of us gets older and collects more life experience, we begin to realize that wealth has many meanings. Our health, education, life experiences, family, friends, personal and business relationships, physical fitness, spiritual beliefs, and overall quality of life are all aspects of our lives that can and should be viewed as markers of wealth.

Whether building a literal structure or crafting a riveted estate plan, both can be broken down into four separate and distinct stages:

DRAFT A DESIGN

Begin by asking some critical questions: What load does the structure need to support? What is the topography and environment that I intend to build in? What obstacles or hindrances stand in the way? What is my vision for this? Only when these questions and answers have been identified can the blueprints for the bridge be developed.

Clearly identify and capture the human capital of the family. Values drive groups as well as individuals. Shared values are the fuel that provides energy to inspire and motivate a group. Whenever you establish shared values within a group, you give that group exponentially more power and cohesion. You create a positive force in the group that overrides individual differences and unites the members around a common sense of purpose. Knowing the values that you share, and embracing those values, gives a group a theme and also gives it a new way to bond and make a difference to one another, to the community, and perhaps even to the world at large.

Values are central to healthy families as well. Most families might venture a guess at what drives them and makes them unique, but they don't always know how to adequately express it. Being able to articulate who you are, as a family, and why you're here on Earth is critical in three respects. First, it creates a greater sense of unity among the family members. Second, it helps the family decide how to allocate its time and assets in the present. Third, clearly articulated values can help the family align its values with its financial resources for estate-planning purposes.

The importance of a well thought-out and articulated family vision and mission statement cannot be overstated. They are essential for everything that comes after.

CONSTRUCT THE TOWERS

Whether building a suspension bridge or an estate plan, once a design has been developed, the next stage calls for building two towers. In the estate plan, the first tower is the parents' tower and the second tower is the children's and future generations' tower. The goal: to build the most solid and secure towers possible to provide support to the entire structure and to ensure that the plan can handle the load it will ultimately carry.

Capture the narrative wisdom of the parents' lives and encourage them to include the mistakes. Often our bad experiences and failures are more powerful than the successes. Did they make financial mistakes and have to dig out of a deep hole of debt? What was the nature of the hard work necessary to preserve the wealth? What struggles were overcome? What successes and failures came along the way? What are their dreams for the next iteration of their family line? Admitting our failures requires a level of transparency and humility, but courage can be found in the desire to allow others to learn from our mistakes and not repeat them.

Unearth the hopes and fears of the upcoming generation. What are they most passionate about accomplishing? What do they see as their biggest hurdles? What questions are they hesitant to ask? In what areas do they need insight and wisdom from the generation that has gone before them?

BUILD A BRIDGE

A critical element in connecting generations is to ensure that the children and successive generations know what to expect and what not to expect. A family coach, attorney, and financial advisor are often critical participants in this process. There is no one-size-fits-all system for connecting the parents' tower with the children's tower. Within the parameters established by the parents, be open to letting the plan organically unfold. Use the family's common history to engage the family members. What connects the family? Where does their history lie? What unites the family in a positive spirit? It may be a special place, such as a family cabin or vacation spot, or a favored gathering spot, such as horse stables, ski slopes, around the pool, or in the kitchen. Is there a special time of year, such as Thanksgiving, or a special food that brings them together?

Use the commonality and history that already exists in the family to pull all the individuals together toward understanding their common values. Let the discussion wander. Don't control it. Let it stray into memories and family folklore. Pull the core values from the stories. Active listening is a key component during this phase.

IMPROVE THE STRUCTURE

Just as in the process of bridge building, the work of maintaining the bridge should be ongoing. After years of planning and construction, San Francisco's Golden Gate Bridge stood in all its glory at its grand opening. Even though it accomplished its goal of connecting the two sides, the perpetual maintenance process began almost immediately. If it hadn't, the bridge would have begun to degrade and ultimately fail. Likewise, constant maintenance of your estate plan is crucial.

Beyond maintenance, the riveted estate plan also should be improved over time.

As each family member proceeds down life's path, the entire family should come together regularly to share their experiences.

CONCLUSION

Aligning your shared values with your family's estate planning is essential. But even in families with identified values, benefactors too often fail to reflect these values in the way they pass their assets (York and Howell 2015). For example, many families have a guiding value of independence, and yet their estate plans too often say, "If I die, here's a whole bunch of money, go do anything you want with it." That lack of direction is completely inconsistent with the value of independence; it encourages heirs to fall back on inherited wealth rather than rely on themselves. Ideally, the estate plan should connect the dots between the values of the family and the use of assets. Good estate planning enables a family to create structures for passing down the family values, not just to the next generation but in perpetuity.

By consciously identifying our values, we take inventory of what is important to us. We also give ourselves the opportunity to patch holes in our value systems and adopt new values that we want to embrace and live by. A life that is driven by consciously chosen values is a life of freedom, integrity, and fulfillment. It is a life that inspires others and has the power to change the world.

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