

# Estate Planning Is Dead



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Estate planning is dead. Gone are the days of creating legal structures to hold your assets, pass your fortune on to the next generation and, of course, avoid paying estate taxes. Gone are the days of planning for your death. It's time to plan for your life.

We have evolved as a society, and if there is one thing we know now it is that money does not buy happiness. That is not to say that money is not part of the happiness equation. For sure, having enough money to meet basic living needs, so that essential survival is not a concern, is key to happiness. In addition, how you apply your money—that is, what you put it towards—can certainly impact your

happiness. But money alone, assets alone, do not a happy person make. Most of us (some still linger behind) have moved beyond just wanting money. We want fulfilling experiences. We want purpose. We want to live a meaningful life and to make our small dent in the universe. We want, in some form or fashion, to change the world.

The reason traditional estate planning is dead is that it has nothing to do with happiness or helping you live a fulfilled life. Estate planning simply addresses what happens when you die. It only plans for the two inevitable certainties of life: *death and taxes*. What about planning for all of the uncertainties in life, the choices you make and ultimately control? What about planning to build the life you will ultimately leave behind when you die?

Enter legacy planning. Legacy planning recognizes that you are more than what you own. Legacy planning recognizes that you are the sum total of your life experiences. It measures your wealth not just in terms of traditional financial capital, but also in terms of your human capital—who you are in terms of your knowledge, values, relationships and spiritual beliefs, as well as your contributions to society. More importantly, legacy planning is about life, not death. While you may certainly leave a legacy behind when you die, legacy planning is about creating a blueprint for your success. It is about empowering you to live proactively, with intentionality and purpose. Legacy planning empowers you to choose the life you want to ultimately leave behind and to write the story you want others to tell when you are gone.

It is time to usher in a new era of legacy planning. The wealth management industry is already ahead of the game, as it has largely shifting from merely maximizing returns (i.e., making as much money as possible) to “goals-oriented investing.” In other words, wealth managers are asking the question: what do you want to be? What purpose are your investments trying to achieve? At their core, these questions recognize that money without direction or application is meaningless.

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Estate planners need to catch up to the wealth managers and your estate plan needs to evolve and be replaced with a legacy plan. Rather than have a legal framework to protect and distribute your assets at death, you need a legal framework that propels you towards achieving your greatest success and living a happy, fulfilled life. You need a legal framework that celebrates who you were as an individual when you are gone and empowers the next generation to live their own most fulfilling lives, the same as you did. For centuries, wealthy families and estate planners have tried to solve the problem of “shirtsleeves to shirtsleeves” in three generations—the harsh reality that there is a 90% chance that family wealth will be lost by the third generation of your family. Perhaps this is because traditional estate planning focuses solely on your estate—i.e., what you own when you die. Legacy planning, on the other hand, focuses on who you are—the *why* behind *what* you own. While you may certainly leave money and assets of other value to or for your family’s benefit when you die, it is your legacy assets—those which encapsulate your *why*—that will serve to preserve and celebrate your legacy by allowing your life’s work to continually benefit the world while empowering the next generation to create their own legacies and leave their own dent in the universe.

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