

Forbes / Investing / #IfIOnlyKnew

NOV 15, 2017 @ 02:08 PM 1,028 👁

Three Common Misconceptions About Legacy Planning

**Daniel Scott**, CONTRIBUTOR[FULL BIO](#) ▾

Opinions expressed by Forbes Contributors are their own.



Shutterstock

The phrase “legacy planning” is becoming increasingly used in place of, or to supplement, estate planning. Unfortunately, like many buzzwords (e.g., “family office”) its meaning can vary depending on the person speaking or the audience’s predisposition. Also confusing is that the term “legacy” has a technical definition—a gift or bequest made under a last will and testament. This leads some to believe that “legacy planning” is the same as estate planning, and merely refers to what happens to your assets after you die. However, such a view is *reactive* to your inevitable

death. A *proactive* approach would be viewing “legacy planning” as the means by which you define and achieve the legacy you ultimately want to leave behind. Here are three common misstatements about legacy planning:

1. **“It’s Egotistical.”** For some, the idea of creating and leaving a legacy is uncomfortable. They struggle with the idea that they have (or will) accomplish anything significant enough to be preserved. They also think that preserving their legacy means preserving their individual name and story, which can feel like they are invariably putting themselves on a pedestal and saying, “look at how great I am.” That can certainly sound egotistical at first. However, legacy planning starts with a simple premise: that everyone is entitled to a happy, fulfilled life achieved through striving to become your best self and accomplishing your greatest success. That is *not* about ego; it is about health, wellness and balance. Working with your team of advisors, your legacy plan essentially (i) identifies who your best self is, (ii) creates a road map to achieving that best self, and (iii) proactively helps navigate that path for you. As an attorney, my advisory role is to create and oversee the legal structure that serves as the vehicle through which you live your legacy and achieve your greatest success. The role of a wealth advisor is to handle the financial planning aspects, while your accountant integrates tax planning. You may also have a life coach, personal trainer, nutritionist, family physician, etc., who all contribute to helping you live as your best self. Personally, I don’t think having such a plan sounds egotistical at all—it sounds healthy and, more importantly, happy. In terms of what happens when you die, your legacy plan is less about preserving who you are as an individual; it is about preserving your life’s work. In other words, it is allowing your purpose to be carried forward and to have a continuing impact on the world. In addition, your legacy plan should empower your children and future generations to find and become their best selves and to achieve their greatest success. Allowing your life’s work and purpose to impact the world and empower future generations is not egotistical—I would say it is your duty.
2. **“Having a Legacy Plan Means I Am ‘Ruling From the Grave.’”** The phrase “ruling from the grave” suggests that you are *controlling* your heirs and future generations when it comes to the family legacy. While this may be the intention of some, control is not what legacy planning is about. It is about liberation—the freedom to find and become your best self and to achieve your greatest success. When it comes to protecting the wealth and assets through which your legacy lives after your death, your plan should allow for those in charge to be intentional and purposeful in carrying your purpose forward.

This is less about controlling those managers and more about empowering them.

3. **“Only Really Wealthy or Famous People Have Legacies To Leave Behind.”** There are two things wrong with this statement. First, *everybody* has a legacy. Whether you are the CEO of a global company, a school teacher or a travel writer, you will have a legacy to leave behind when you die. The question is, what will that legacy be? Which leads to the second thing wrong with this statement—that legacies are left behind, and that legacy planning is all about planning for death. Legacies are built. Legacy planning is about taking control and proactively creating the legacy you will ultimately leave behind. It’s not about *death*; it’s about *life*. Who you are and your life’s work is the most unique gift you give to the world. Without a legacy plan, you will simply drift through your life reacting to circumstances as they arise. What will that look like when you die? Instead of drifting, why not unlock your greatest potential and strive to leave your best legacy? Don’t be a victim of circumstance—go out and create a happy, fulfilled life for yourself. That is your right and, I would argue, your duty.

DISCLAIMER: The information contained in this article is for informational purposes only and is not intended, and must not be taken, as legal advice on any particular set of facts or circumstances. You need to contact a lawyer licensed in your jurisdiction for advice on specific legal issues.

