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Taking client relationships
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OCTOBER 2017 [EATON VANCE](#) ADVISOR INSTITUTE

Periscope from the grave

Helping families improve legacy outcomes.

We interviewed Jeffrey Condon, co-founder of Condon & Condon law firm. With over 30 years of experience in the field of trusts and estates, he's collected a lifetime's worth of cautionary tales of inheritance plans gone bad.

Jeff's book, "Beyond the Grave: The Right Way and the Wrong Way of Leaving Money to Your Children (and Others)," serves as a road map to help financial advisors and their clients navigate potential mine fields hidden within the language of otherwise well-meaning estate plan documents.

You want to connect to the next generation? Don't let it inherit a tangled mess. Don't make your clients crave a "periscope from the grave" to clear up poorly drafted documents that lead brothers, sisters and grandchildren into battle against each other.



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At Eaton Vance, we value independent thinking. In our experience, clients benefit from a range of distinctive, strongly argued perspectives. That's why we encourage our independent investment teams and strategists to share their views on pressing issues—even when they run counter to conventional wisdom or the opinions of other investment managers. **Timely Thinking. Timeless Values.**

What's a dusty trust?

Years ago I came up with the phrase “dusty trusts.” What's that, you ask? Those trusts you have to blow on to get the dust off because no one has looked at them in decades.

“We're all set” is a common refrain when you broach the topic of estate planning with clients and prospective clients. Some think they are speaking the truth. Others know they are not.

Estate planning isn't a “set it and forget it” kind of activity. It's a lifelong endeavor, and when you help your clients discover, clarify, communicate and document the real purpose of their wealth, you become an integral part of their lives.

Jeff Condon is a frequent speaker on the topic of living trusts and estate planning. He uses his decades of knowledge to help:

- Ensure that an estate owner's inheritance instructions are carried out.
- Reduce internal conflicts that may surface when siblings feel cheated over their share of the family pie.

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Often it can be your “isms” – your evergreen beliefs that frame your philosophy – that can build a bridge into a meaningful conversation with your clients about estate planning. Here, Jeff shares some of the isms that underscore his approach to estate planning and dealing with what are typically emotionally charged conversations.

ISM #1: You've got to live well, but you also need to die well

As financial advisors, you want to make sure your clients live well, but you also want your clients to die well. And what do I mean by that? It means that you need to make sure that your clients have put together a living trust that, with its inheritance instructions, does not create conflict and chaos in the inheritance arena after your clients have died and their children are now dividing the family money. Your clients' children are their most precious assets. If the inheritance plan goes sour, their memories of their parents may suffer — and their relationships with each other could suffer too.

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ISM #2: When it comes to inheritance, your children are no longer your children – they are just people dividing money

All too often, family fallout is a familiar part of the inheritance landscape. The usual cause is the perception of children (the ultimate beneficiaries of your clients' wealth) that they have not been treated fairly in their parents' estate plan.

When I say “fairly” I mean, of course, equally. Even if the parents don't believe there is any justification for that perception, it does not matter. If the children perceive unequal treatment, it will undoubtedly lead to family divisiveness caused by the conflict, jealousy and unfairness that they believe stems from that unequal treatment.

Goal number one is creating estate plans to minimize possible unrest among heirs. We make sure to discuss with our clients the option of adding some kind of equalization calculation to their living trusts. Keep in mind that during

their lifetimes, most parents are not keeping score of the money they give their children. In their minds, they're just helping their kids in a time of need or simply in the spirit of kindness and generosity. But the reality is, some children are keeping score. And the perceived imbalance could – and often does – lead to bad blood.

When working with clients to construct an estate plan, financial advisors must not let the next generation of heirs inherit a tangled mess because of shortsighted thinking.

ISM #3: If you don't want the blame, you've got to treat them the same

It's one of our credos. What we mean by that is not only equalizing the inheritance among your clients' children, but also not making just one of your clients' children the *boss of the inheritance plan* after your clients have died.

The ones who carry out the living trust terms after death are the bosses of that inheritance plan, or what we call the "after-death agents." Let's say one of three children is named as the "after-death agent." That may create a lot of conflict and problems between that child and his/her siblings who have been left out of power. Why? Because your clients will be accused of not loving the other children as much, not

trusting the other children as much or not thinking that the other children were smart enough to do the job. These are the base emotions that arise out of excluding certain children from the power position after your clients die.

ISM #4: No one should crave a periscope from the grave

When working with clients to construct an estate plan, financial advisors must not let the next generation of heirs inherit a tangled mess because of shortsighted thinking. A periscope from the grave can help clients avoid poor financial decisions by anticipating areas of potential turmoil before they occur.

I'm not asking advisors to practice law, but to understand that the solution to the majority of problems is recognizing the problem in the first place. Acting as a periscope from the grave, financial advisors play an integral role in helping their clients to anticipate problems that could surface after they have passed away. By understanding the unintended potential consequences of various estate planning decisions, you can counsel your clients appropriately. Then they will not need to crave a periscope from the grave, because they will have promoted harmony among their children and protected their inheritance from estate taxes or probate.

David's best practices for ism articulation

There are four critical ingredients for ism articulation: They must be timeless, pithy, expressed as a sound bite and they should connect the dots. Here's why the ism "No one should crave a periscope from the grave" is a great example of these key ingredients.

- **It's timeless** – It's a guiding principle that emphasizes the importance of anticipating inheritance problems before family conflicts arise.
- **It's pithy** – Easily remembered.
- **It's a sound bite** – Short and sweet.
- **Always connect the dots** – You can connect the dots to your work together if you say, "Our advisory team can help you anticipate potential problems with your estate plan that could cause family conflict when you're no longer here. Avoid these problems and you won't crave a periscope from the grave."

Keep the conversation going

Learn more about building bridges to referrals, going deeper with client conversations and working with the next generation. Visit The Advisor Institute Coach's Corner at eatonvance.com/coachscorner.

For a complimentary copy of "Client Primacy: Inspiring Intentional Outcomes," by David Richman and Alan Parris, please contact your Eaton Vance representative or call **800-836-2414**.



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