

## **4 Psychological Roadblocks To Smart Estate Planning And How To Overcome Them**

You know smart estate planning can save you and your loved ones hundreds of thousands of dollars in estate tax. But many people postpone estate planning until their tax-saving options become limited, or in some tragic cases, avoid estate planning altogether. Why?

According to David Lansky, Ph.D., a psychologist specializing in counseling families and family-owned businesses, people face four primary psychological roadblocks when contemplating estate planning. Let's take a closer look at these roadblocks and how to overcome them.

### **1. Strained Family Relationships**

Strained relations with spouse or with other family members may hinder estate planning. In some families, discussions about financial issues can be emotional or even taboo and can inflame existing tensions.

To overcome this roadblock, improve communications. Remember, tensions likely arise from simple differences of opinion regarding priorities, values, goals or advisors. Learning how your spouse or family members feel about estate planning can help you resolve these differences. Schedule regular family meetings and ask questions, make disclosures and strive to understand others' views. When your family members feel understood, compromise may come easier.

Key issues to address at a family meeting are:

- Core family values (for example, wealth preservation, education and philanthropy),

- Processes for reconciling differences, and

- Qualities to seek in an estate planning advisor.

If these meetings don't resolve differences, more serious underlying relationship problems probably exist that can be solved only with the help of a therapist or counselor.

### **2. Fear of Mortality**

Contemplating the reality of your own death is not pleasant. You'll naturally feel some anxiety about writing a will, choosing executors and guardians, and funding life insurance policies. And your loved ones and trusted advisers will likely feel awkward discussing, in your presence, your demise and inheriting your money, house or other possessions.

You can deal with this anxiety and awkwardness by taking it one step at a time. Lansky calls this process desensitization. Begin by reading books or articles about estate planning. Ask friends and colleagues --

especially older and wiser ones -- how they've approached estate planning. Talking about estate planning casually, without the pressure of a deadline, can help relieve your anxiety.

When you feel more at ease about estate planning, schedule meetings with your financial and legal advisors, along with your family. Your advisors can help you establish a structure for accomplishing the various tasks necessary for completing your estate plan.

### **3. Perfectionism**

Estate planning involves making choices that can profoundly affect the lives of family members and your own financial security. The consequences of making a big mistake can instill fear in anyone.

But the goal in estate planning is not perfection -- the goal is planning well for your future and that of your loved ones. If the fear of making a wrong decision is interfering with your planning, try doing an informal cost-benefit analysis. What will the approximate estate tax burden be without a plan? What are the potential savings of a good (not perfect) estate plan? You may find the risk of being without a plan far outweighs the risk of having a less-than-perfect plan.

And remember, you can correct most mistakes. Even if you simply change your mind, you can revise your will and estate plan.

### **4. Fear of Losing Financial Security**

Many people forego estate planning because they can't stand the thought of letting it go. They fear that they may jeopardize their own financial future by placing their assets in a trust or giving them away. Of course, that is not the case when you develop a thoughtful and competent estate plan. When anxiety about your financial security interferes with planning, remember that achieving a sense of balance between family, health and finances is the real key to security.

### **Stop Procrastinating And Start Planning**

Procrastination favors only the IRS. The way to begin planning is to have open and honest discussions with your family about finances, personal goals and mortality. The process may even bring you closer -- and that may be worth more than any material asset. Please contact us to begin the estate planning process.