

Asking the Right Questions

Clients expect advisors to raise topics that identify options in a comprehensive estate plan. Clients expect advisors to present tax savings strategies for them to consider. Clients expect advisors to discuss gifts or bequests that perpetuate their long-held values. But there are frequently occasions where clients, despite these expectations, are reluctant to share their thoughts and goals to enable their advisors to provide guidance to meet these expectations. Consequently, advisors need to ask the *right questions* that will disclose the client's values and objectives.

Meeting a client's expectations is achieved by *listening* to their concerns and identifying their values and not *lecturing* them on tax rules or the law or furnishing to them merely a menu of options from which to choose. The key is to induce clients to reveal their values and their anxieties through a series of 'what if..?' questions and engage them in conversations.

How do you ask the *right question* that prompts a discussion with regard to personal values goals? While it sounds trite, inducing a client to tell stories of their history, their family, and their wealth accumulation, identify influential people and events in their life journey can go a long way to identify the client's actual values and goals, and not simply end with a conventional estate plan that leaves their wealth to their children or grandchildren in shares of equal value.

Sample leading questions that will enable you to listen for opportunities to identify a client's values, concerns, or inclinations to embrace philanthropy follow:

- **What is your goal in estate planning?** *While the client might simply indicate that their goal is to transfer their wealth to their heirs, sometimes they will come up with a surprising answer beyond just providing for their immediate family members. They may have to be encouraged to reflect on an estate plan that does more than just implement the predictable provisions for their family.*
- **What do you value about money?** *This opened-ended question starts the conversation about values and how wealth can be used to perpetuate those values.*
- **When you think about money, what concerns, needs, or feelings come to mind?** *This sounds more like a question a psychiatrist might ask of a patient lying on a couch, but personal attitudes with regard to money, as a positive or negative influence, can lead to several helpful questions that might lead to a not-so-conventional distribution of wealth in an estate plan.*
- **How did you accumulate your wealth that prompts [or compels] your desire to adopt an estate plan at this time?** *Clients often are eager to tell the story of how they became successful (both personally and financially.) While success is often viewed in terms of the amount of wealth that was accumulated during a lifetime, it can also mean how they view their family or their personal role and responsibility to improve society, i.e. to fulfill the meaning of their life and legacy.*
- **Did you ever imagine that you would ever accumulate an estate of this size?** *Often clients are surprised, if not humbled, by their financial success. Or, maybe they did not think all that much about how fast their wealth grew as they were too busy building that wealth to stop and assess its magnitude. This question often puts into perspective that there is a responsibility that goes*

along with dispensing their accumulated wealth, so that the transmitted wealth helps, and does not hinder or distract those who receive it.

- **Was there a 'tipping point' decision that you made, or event that occurred in the past, that explains the wealth that you have accumulated?** *Clients often can identify an event, or a person who pushed them in the right direction, or simply the stroke of good luck that came their way when they describe the turning point in their accumulation of wealth. With this disclosure often comes the ability to identify candidates for cash bequests or philanthropic gifts- which are a form of 'thank-you' given to those who helped them along their life journey.*
- **What was the business philosophy or strategy that you followed to make your business the success that it is today?** *Identifying a business philosophy or strategy often reveals the value proposition(s) that the client embraced that they believe is reflected by the wealth that they accumulated, often values that they wish to perpetuate to guide the next generation-their legacy. The answer may also help to identify a restriction or condition or purpose tied to a charitable gift.*
- **Did you receive any 'help' along the way that explains, in part, your current financial success?** *Again, this question helps to identify individuals or organizations that the client might wish to thank with a lifetime gift or bequest.*
- **Are you confident that the government will spend its 'inheritance' from you responsibly?** *This loaded question intentionally shifts the discussion to possible philanthropic gifts, as seldom are clients content with how the government spends its tax dollars. This question enables the follow-up observation, 'you know, you do not have to pay any federal estate taxes, if you choose to leave some of your wealth, especially your retirement accounts, to charities.'*
- **What do you want to accomplish with the wealth that you will leave?** *This question is intended to promote a discussion that centers on perpetuating values and legacies as opposed to a 'default' estate plan that simply leaves wealth to heirs because little thought was given to what impact the accumulated wealth will have on the donee. This question brings into focus what will likely be done with the inherited wealth as opposed to merely identifying who will receive the wealth on their death?*
- **Who do you want to benefit with the wealth that you will leave?** *Usually the client will say 'my children and grandchildren', which is the norm. But a fair follow-up question is: 'are there others who might benefit from an inheritance besides your children and grandchildren?' which forces the client to consider a larger potential group of beneficiaries or charities that might benefit from sharing their large accumulated estate.*
- **Are you confident that your children [or grandchildren] will spend their inheritance from you in a responsible manner? Or, are you worried that dropping a sizeable inheritance into the lap of your children might actually do them more harm than good?** *These questions regularly are answered, initially, 'yes' but then with some follow-up questions a client may reveal some anxieties. With some follow-up questions the client's comments shift away from a simple 'yes' to a bit more tentativeness. Often that anxiety is expressed with reference to their son-in-law or daughter-in-law as the source of their concern, not with their child's inclination to mishandle their inheritance. This question often leads to reciting the oft-cited Warren Buffet quote about how much he plans to leave to his children, or to T.Boone Pickens' more pragmatic quote: "If you*

don't watch out you can set up a situation where a child never has the pleasure of bringing home a paycheck."

- **During your lifetime did anyone ever hand you a check for \$1.0 million and say 'good luck!'** *This is often called the 'simple math' question that is intended to elicit a client's response when discussing the distribution of their estate. If the client has a \$4 million estate and he or she has two children, and the client opts for the conventional 'in two shares of equal value' distribution formula, each child will receive roughly a check for \$2.0 million shortly after their surviving parent's death. The simple math quickly puts into perspective both the magnitude of the wealth to be transmitted, and the concern that others may try to manipulate or victimize their child who receives the large windfall of wealth (the inheritance) without any preparation. This question often provokes an installment distribution of wealth from a trust over an extended period of time which enables the child to become accustomed to managing that level of wealth while also protecting that child from the manipulation of others.*
- **When you made lifetime gifts, did your children ever write you a 'thank you' note?** *While this is a pretty cynical question, it often triggers a discussion about entitlement attitudes. The focus, obviously, is on how the children view their parents' generosity- as an expected entitlement or are the children genuinely appreciative of the gesture? This is often when lifetime gifts are suggested, if there is a concern about the potential for a lack of appreciation- a trial run to observe the level of the donee's gratitude. If a 'thank you' note is written after a lifetime gift, often the writer will explain how they intend to use the gift, or how the gift was impactful to them or how it enhanced the quality of their life. In writing a 'thank you' note there is (hopefully) some reflection on how the gift will improve their life. Parents who make gifts tend to want their generosity to be acknowledged appreciated by their child.*
- **Have you made any large charitable gifts in the past? How did those gifts work out?** *This question often reminds clients that some charities warranted their support while they were alive and that they may want to consider philanthropy as part of their end-of-life planning. The second question is designed to assess how impactful that lifetime charitable gift was, the answer to which might lead the client to reflect on the size of the contemplated charitable bequest or the imposition of restrictions or conditions on such bequests.*
- **What was the most meaningful or impactful gift that you ever received, and why? What was the most meaningful or impactful gift that you ever made and why?** *This question prompts the client to reflect on how a lifetime gift was used which made a big difference in their life or in the life of the donee, or the mission of the charity that received the gift.*

The obvious purpose of all of these questions is that the best way to learn what a client wants to accomplish when they seek your advice is to listen closely to what they say, and often by what they initially choose not tell you. As their audience you will have the opportunity to ask the right questions to prompt the client to reveal their emotions, their goals, and at times their fears. Engaging a client to tell their life story will permit them to share their successes, and sometimes disclose their disappointments. The same stories will help to identify core values ensuring they leave a legacy.