

Getting A Good Estate Planning Result Is Hard

At a class for professionals, L. Paul Hood, Jr., one of the nation's leading estate planning educators of lawyers, accountants, and financial advisors, recently identified all the things that can go wrong with an estate plan. It's a lot! For individuals facing estate plan questions, here are some important considerations.

What Can Go Wrong In Estate Planning?



The players involved in creating an estate plan include you, the client, of course. But you will probably need to work with two or three advisors, and they must be coordinated with each other. And then there are your beneficiaries—and those who believe themselves to be beneficiaries but are not, loved ones and charitable causes you want to support after your death. The interaction of the players creates opportunity for confusion, misunderstanding, personality conflict and the array of things that can go wrong in human interaction.

Fear, emotion, and self-interest further complicate the ability to get a good estate planning result according to Hood, who taught estate planning at several law schools for over 10 years during an almost 40-year career in estate planning. Clients often fear or don't completely trust their advisors, fear losing control of their estate plan, or worry about the cost of getting advice.

Meanwhile, legal, tax, and financial advisors can also get in the way of a good estate plan result because of their need for business, fear of being sued for malpractice, need to compete with other advisors on your team to be the lead advisors and their technical knowledge of tax law and the psychological factors involved in estate planning.

Factors Complicating A Good Estate Planning Result



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Loved ones who you want to benefit from your estate plan could have difficulty getting over the fact you are no longer there to talk to. Or some of your heirs could be jealous of what another beneficiary inherited. And then there is a chance that you or your advisors failed to communicate the whole story about the decisions you made in your estate plan, according to Hood, author or coauthor of nine books on tax planning.

Getting a good estate planning result is hard, but at least you now know about the things that could go wrong and can try to be mindful of these factors.