



INHERITANCE

How to receive one,
how to leave one

Lise Andreana and
Victoria Al-Samadi

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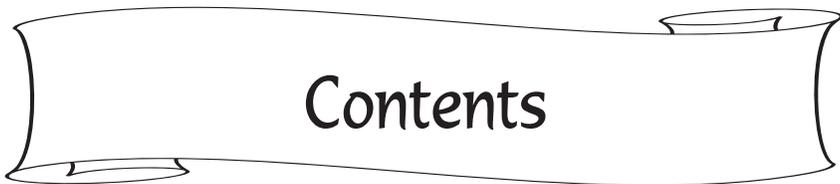
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Dedication

To my husband, Gerry. Bob Dylan said it best:

If not for you

Babe, I couldn't find the door

Couldn't even see the floor

I'd be sad and blue

If not for you

...

If not for you

My sky would fall

Rain would gather too

Without your love I'd be nowhere at all

I'd be lost if not for you

And you know it's true

Gerry, you inspire me each and every day with your love, conscientiousness, and devotion. Thank you.

— Lise

To my loving family for always supporting me in whatever path I choose, and to my children, who will undoubtedly be the best legacy I could ever leave.

— Victoria



Introduction

What does it all mean? Why am I here? What have I done with my life, and what do I want to leave behind? Ultimately we are asking ourselves what our legacies will be.

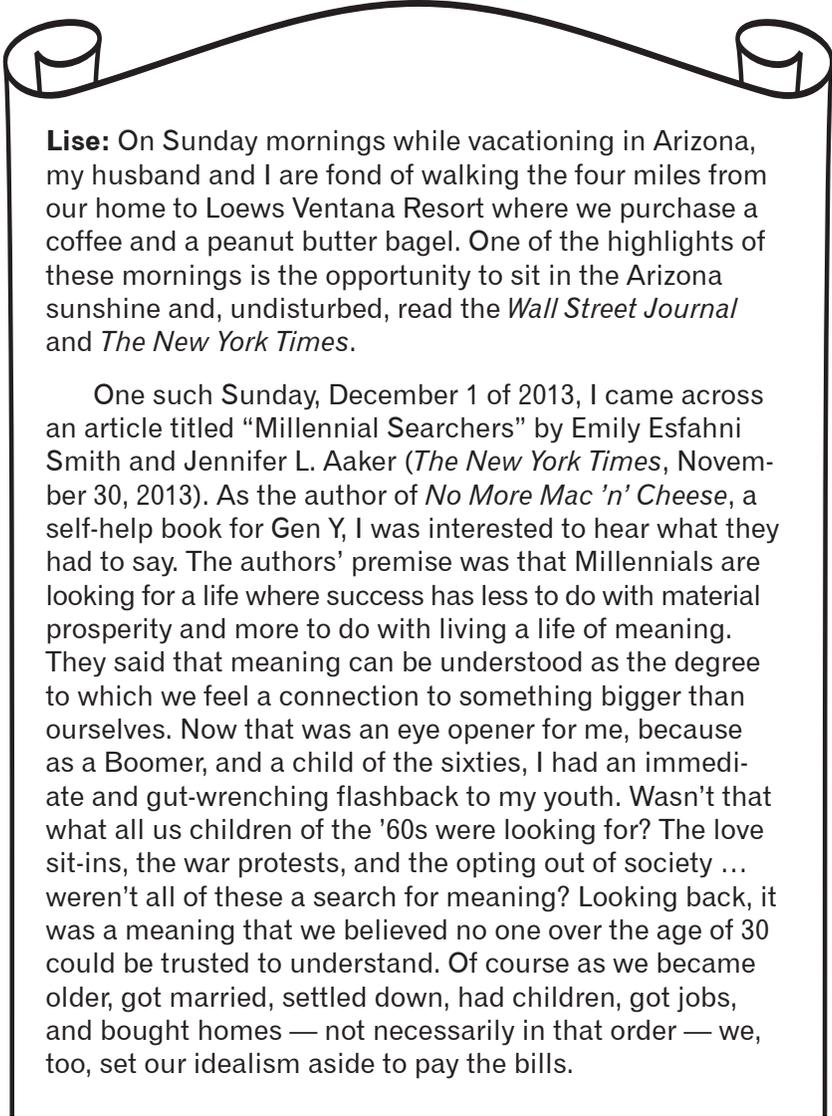
Unless there are some significant strides made in the realm of science in the near future, it's safe to assume that none of us will live forever. While many people simply think about their wills and the inheritances they will leave to others upon their passing, a legacy is about much more than just money, and your estate is just one part of what you'll leave behind.

Throughout your life you have made choices that were based on the beliefs and values you hold dear. You have worked towards goals that you think are important. You've undoubtedly tried to influence others in a positive way. You may not have yet taken the time to sit down and reflect on it all, but that's why we've written this book. It's time to think about your legacy.

In addition to thinking about your own legacy goals, there's a good chance that at some point in your life you will be the recipient of some form of inheritance yourself. When that happens, you may find yourself grappling with how to best honor the way some-

one else has tried to impact you through their own legacy. This book can help you with that too.

We've written this book for North American readers of varying degrees of wealth. You don't have to be a millionaire to think about what you want to leave behind. The dollars and material goods you may bequeath to others are no more or less important than the values and beliefs you have imparted throughout your life.



Lise: On Sunday mornings while vacationing in Arizona, my husband and I are fond of walking the four miles from our home to Loews Ventana Resort where we purchase a coffee and a peanut butter bagel. One of the highlights of these mornings is the opportunity to sit in the Arizona sunshine and, undisturbed, read the *Wall Street Journal* and *The New York Times*.

One such Sunday, December 1 of 2013, I came across an article titled "Millennial Searchers" by Emily Esfahni Smith and Jennifer L. Aaker (*The New York Times*, November 30, 2013). As the author of *No More Mac 'n' Cheese*, a self-help book for Gen Y, I was interested to hear what they had to say. The authors' premise was that Millennials are looking for a life where success has less to do with material prosperity and more to do with living a life of meaning. They said that meaning can be understood as the degree to which we feel a connection to something bigger than ourselves. Now that was an eye opener for me, because as a Boomer, and a child of the sixties, I had an immediate and gut-wrenching flashback to my youth. Wasn't that what all us children of the '60s were looking for? The love sit-ins, the war protests, and the opting out of society ... weren't all of these a search for meaning? Looking back, it was a meaning that we believed no one over the age of 30 could be trusted to understand. Of course as we became older, got married, settled down, had children, got jobs, and bought homes — not necessarily in that order — we, too, set our idealism aside to pay the bills.

Now the Boomers are entering their retirement years, en masse. According to Statistics Canada's 2011 census, close to 9.6 million, or 3 out of every 10 Canadians, were Baby Boomers already. (www.12.statscan.ca) In the US, the population of seniors was up to 40 million in 2010. A casual observation based on my experience, and that of my Boomer clients, is that we are returning to our roots in showing a desire to reconnect to our search for meaning. As we retire from the workforce, time becomes more plentiful, and we are increasingly thinking about the meaning of life. Our lives' meanings, in particular. What has it all meant and what will our legacies be?

Victoria: as a parent of young children, I too have already started wondering what I will leave behind, both as an individual and as a parent. Am I living a life that will clearly demonstrate to my children what is important to me, and what I hope will become important to them? How can I start planning to financially take care of them, and myself, in my later years and after I am gone? What money will my husband and I need in order to comfortably take care of ourselves in retirement, and what will be left over if we continue on our current savings path? If there are funds left over, I need to start thinking about the causes and organizations that share my values that I'd like to support in some way.

Throughout this book you will hear the stories of some of Lise's clients as helpful and hopefully illuminating examples, but ultimately it is your story you should focus on in the process we've outlined in these pages.

The three key messages as covered throughout this book will be:

1. Self-expression: Doing it your way! Planning your legacy documents is your opportunity to express what is most

important to you, the values you hold most dear and make decisions that are in keeping with your values. Our goal is to inspire you to do it your way! Although planning your estate can cause some anxiety, many find the process brings them peace of mind and comfort. Making these important choices while you are able is an empowering experience. Once you have read this book, you will be in a good position to articulate to yourself, your spouse, your family, and your advisors the values that are most important to you. Your individual and unique story will form the basis of your own estate plan, enabling you to leave a legacy of meaning that feels authentic to you.

2. **Living Document:** Your estate plan is much more than the distribution of your assets upon your death. It is a living document providing you the opportunity to inform, mentor and coach your heirs while you are alive. doing so will leave your heirs with so much more than financial assets, it will leave them with an understanding of the driving force of your life. Maybe they will be inspired by your legacy, at the very least they will better understand why you made the choices you did.
3. **Avoid Mistakes:** Hire the right professionals to help you complete your estate plans. Knowing whom you wish to benefit from your estate plan and why is an important step in helping you to communicate effectively with loved ones and professional advisors: your financial planner, accountant, and estate lawyer. It is your team of professionals who will help you with the “how” to make your estate dreams come true. If you have children, they will then gain so much more than material wealth; they will gain insight into what was important to you and why. They will appreciate your thoughtfulness and respect your search for meaning.

“To plant a garden is to believe in tomorrow.”

— AUDREY HEPBURN

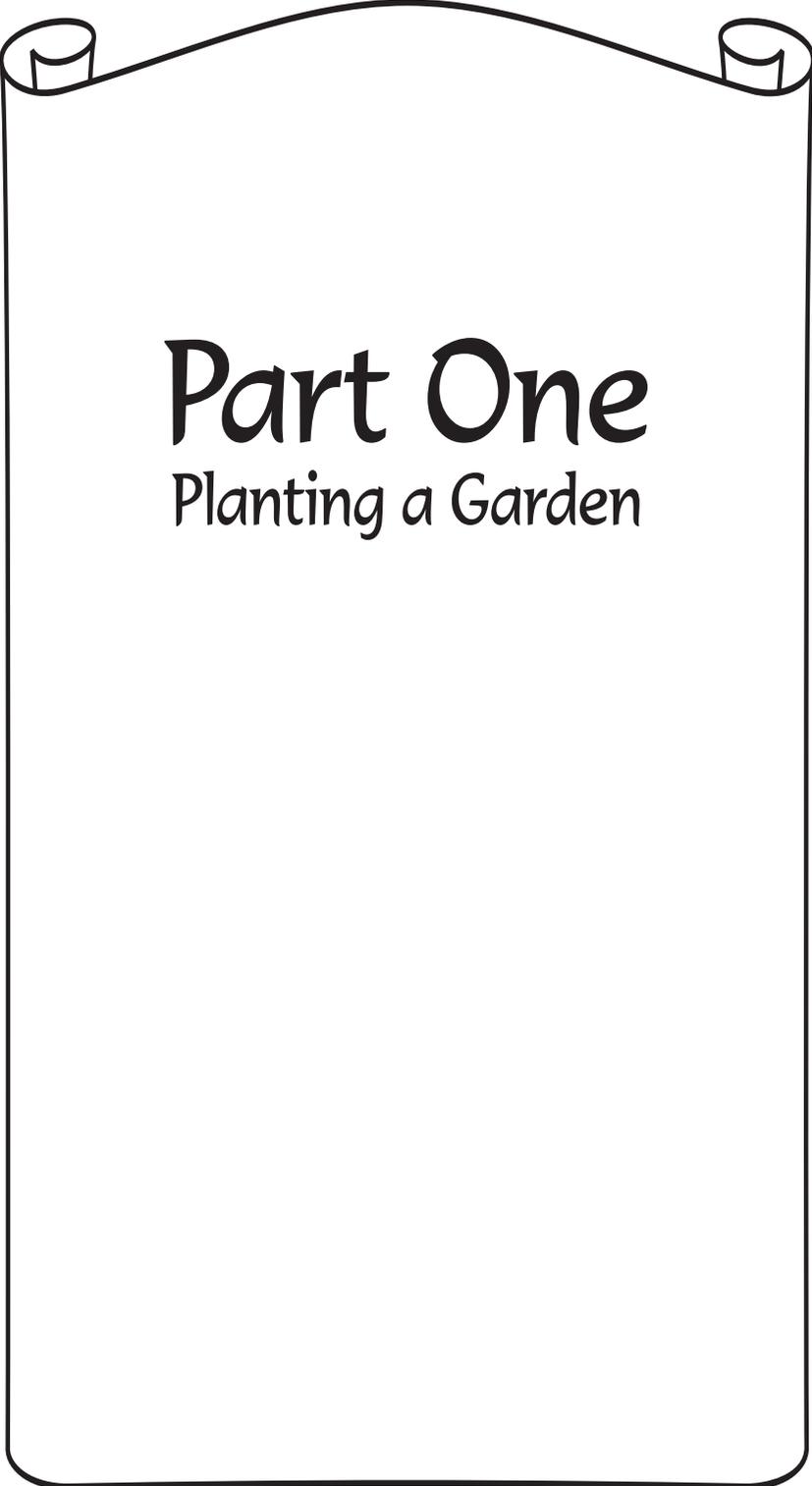
This book is made up of two parts. The first part is named “Planting a Garden” and the second part “The Tool Shed.” It is our belief that too many estate-planning books focus on the “Tool Shed” alone: the selection and sharpening of the tools used to create a typical estate plan. Well-intended experts often tell you what

tools you should use, but often, the tools they are suggesting might not feel right to the user. After all, how much do they know about the seeds of your family history, the values that you have nurtured, and the legacy (garden) you wish to leave behind?

“Planting a Garden” will be an exploration of how to receive or leave an inheritance based on your unique family values. This section is about the seeds you plant and how to nurture those seeds into full-grown plants so that they may continue to reproduce and be fruitful for further generations. It is our belief that every inheritance contains kernels of values from the benefactor. Most often the message is not explicit, but with some thought it is possible to leave a lasting legacy. Our memories become the truths upon which we build our values. Our memories will die along with us, but our legacies continue to send a message to those we leave behind. Why not do so with intent?

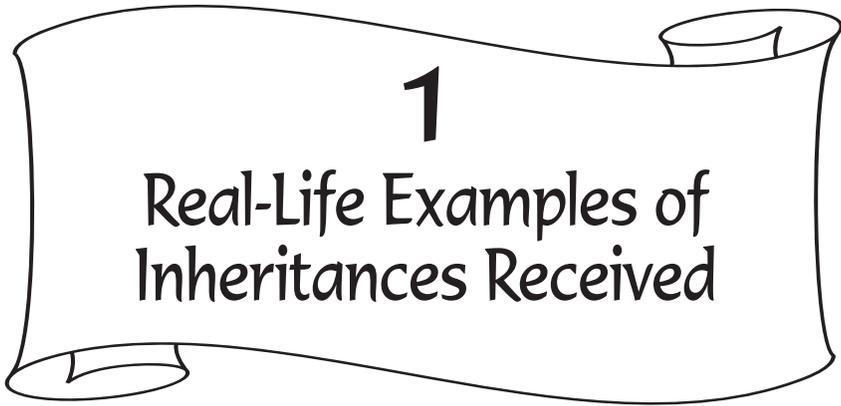
So, the first and larger portion of the book will be focused on designing and planning for your garden (the why and the who). The second portion of the book will review and identify the correct tools to ensure you are happy with the harvest, (the how and what).

Let’s get started.



Part One

Planting a Garden



1

Real-Life Examples of Inheritances Received

Sometimes the inheritance we receive has absolutely no financial value at all. Thinking back to the times when our ancestors lived in caves, we know that even then we, as people, sought to transfer our knowledge to our tribes.

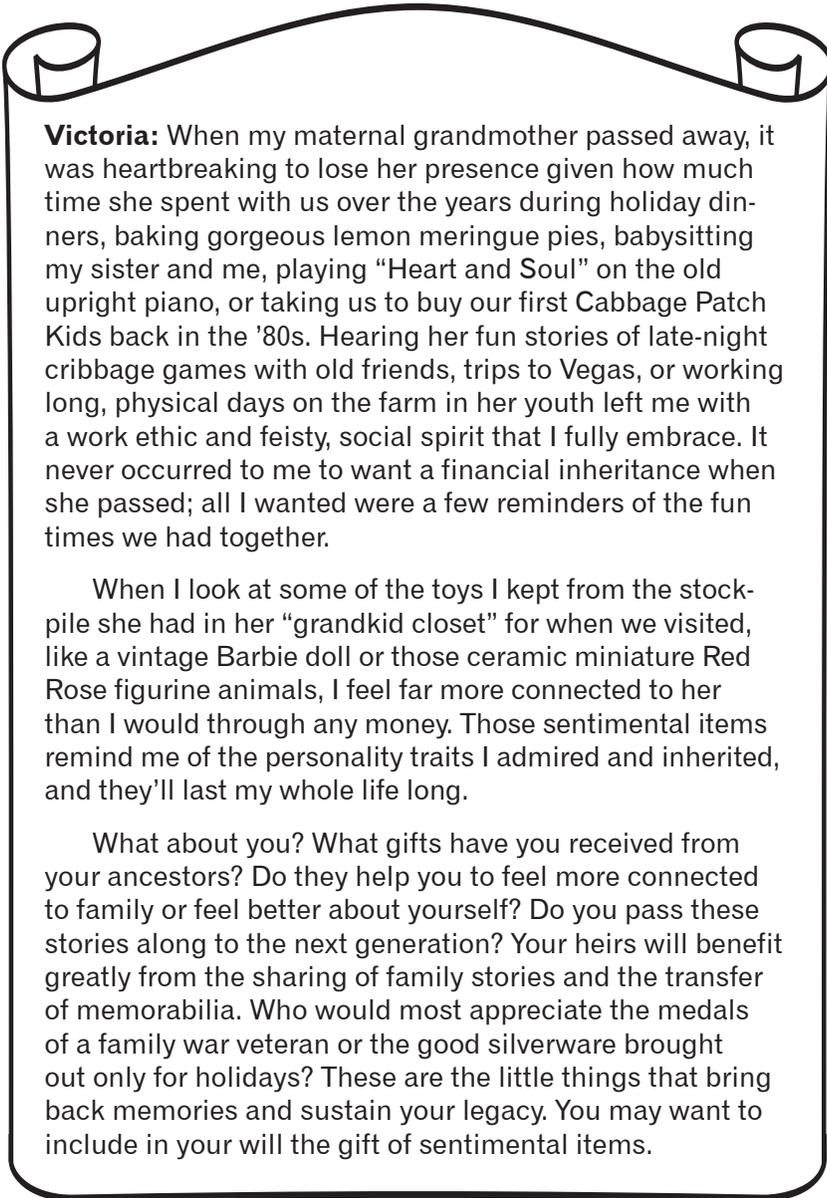
The form of this transfer of wisdom would have been mostly verbal and demonstrative back then. Imagine hunters exchanging hunting stories late into the night over a campfire. They would have told their stories of survival and imparted influence by sharing the beliefs and values that led them to succeed. There is really something to be said for this early and simpler form of communication. A son may have just inherited his father's hunting implements; a daughter perhaps got a mortar and pestle to grind down corn kernels. Too often, in this fast-paced and hectic world we live in, we think of an inheritance as having a dollar amount attached to it, but maybe the best and most meaningful inheritances have nothing to do with a financial windfall at all. For example, see the following stories about the cookbook, the sewing machine, and the automatic transmission; the grandkid closet; and having fun.

Lise: To date, the inheritances I have received include two items of sentimental value and a third that I would call the gift of family pride. These three gifts by far outshine any financial inheritance I may ever receive.

As a young woman, my Aunt Alice loved to dress fashionably. As a child growing up during the '50s and '60s, I used to admire her sense of style. She would show me her new “a la Dior” dresses with the cinched waists and full crinolines and I would swoon. She was so beautiful, and I wanted to be beautiful too, in the way all preteen girls do. Over the years, my aunt used to tell me that she had left her sewing machine to me in her will. Not just any sewing machine, but the miniature Singer Featherweight model 222. As a connoisseur of sewing machines, I appreciated how special it was. It always made me feel closer to her, that we shared this common interest, and the knowledge she wanted me to have her precious machine. On her passing, in 2006, sure enough she left me her sewing machine along with a dog-eared, food splattered copy of *The New York Times Cookbook* circa 1969. Words cannot describe how I treasure these two sentimental items. When the time comes, I will pass them on to my granddaughter.

The third inheritance received is one of family pride. Since I was a child, my mother told us the story of her paternal Uncle Bernard Levesque; the inventor of the automatic transmission (Patent Number 2,216,294 – Oct 1, 1940). Mom would tell of how fabulously rich he became; showing up in his shiny black car, with a good stock of chocolate in the back to take her and her siblings out for a drive. For a family struggling through the Great Depression, what glory there was in knowing that someone in the family had made it. This story continues to inspire both myself, my children, and my grandchildren, as we note the engineering-genius DNA to be found among Uncle Bernard's descendants. It is the story of ingenuity, perseverance, and entrepreneurial endeavor. It is my great joy to have an original copy of the patent in my possession, and the values he left behind.

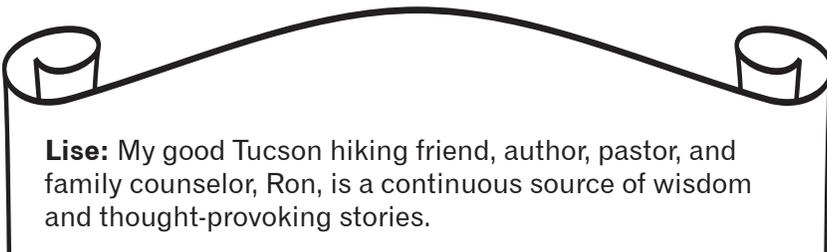
While these gifts may have little monetary value, to me they are priceless.



Victoria: When my maternal grandmother passed away, it was heartbreaking to lose her presence given how much time she spent with us over the years during holiday dinners, baking gorgeous lemon meringue pies, babysitting my sister and me, playing “Heart and Soul” on the old upright piano, or taking us to buy our first Cabbage Patch Kids back in the '80s. Hearing her fun stories of late-night cribbage games with old friends, trips to Vegas, or working long, physical days on the farm in her youth left me with a work ethic and feisty, social spirit that I fully embrace. It never occurred to me to want a financial inheritance when she passed; all I wanted were a few reminders of the fun times we had together.

When I look at some of the toys I kept from the stockpile she had in her “grandkid closet” for when we visited, like a vintage Barbie doll or those ceramic miniature Red Rose figurine animals, I feel far more connected to her than I would through any money. Those sentimental items remind me of the personality traits I admired and inherited, and they’ll last my whole life long.

What about you? What gifts have you received from your ancestors? Do they help you to feel more connected to family or feel better about yourself? Do you pass these stories along to the next generation? Your heirs will benefit greatly from the sharing of family stories and the transfer of memorabilia. Who would most appreciate the medals of a family war veteran or the good silverware brought out only for holidays? These are the little things that bring back memories and sustain your legacy. You may want to include in your will the gift of sentimental items.



Lise: My good Tucson hiking friend, author, pastor, and family counselor, Ron, is a continuous source of wisdom and thought-provoking stories.

I love Ron for his ability to make me think about moral and philosophical dilemmas. The story that inspired the idea for this book is actually the story of Ron's own inheritance from his mother. From his earlier descriptions of his mother, she was a girl who liked to have fun. Life was about experiences!

For many years, Ron was an innercity pastor. There are not many professions that conjure fewer images of fun than being part of the clergy (well, at least for this Catholic-raised girl)!

Here is how Ron retells the story of his inheritance:

When it became clear that Mom's life was going to be significantly shorter than we hoped, I went to her doctor with her. I showed her a number of questions I would like to ask about her disease and her prognosis. He straightforwardly told us that she had less than six months and how she would likely die.

After that, Mom began to put her affairs in order. She called a meeting with myself and her former husband (not my father, now deceased) three adult children and told us how her will was going to be divided between us after her death. She laid out her reasons for doing it the way she did, explained who would be in charge of distributing the money, and asked if we had any questions.

Afterwards, when she and I were out for a slow walk, she asked me, "What are you going to do with your share of the money?"

I was a little surprised because she had never shown any interest in my plans for my life or how my wife and I spent our money. She had once loaned us a little money, at our request, to help us make a down payment on our house but that was long ago repaid.

I asked her why she asked and she said, "I don't want you to give it away. I want you to have fun with it."

I said, "That is probably what we would do, but we had never thought about getting money from you or what we would do with it."

Only later, after she had died (close to when and how the doctor had predicted), did I realize that because I was a pastor she thought that I might give it to the church or some good cause. Mom was a responsible person but she liked to have fun in life and wanted to be sure that I did as well. She did not realize that I had learned from her, long ago, that spare money was for having fun, and that is just what we have done. She would be happy about how we have used her money. I would love to be able to tell her.

I love this last story because Ron's Mom wanted to ensure she left her son more than money; she wanted him to benefit from her value system as well. Her love of experiencing life and enjoying one's self runs counter to that of many estate planners who spend their time and efforts trying to maximize the benefit to the heirs by reducing taxes and fees and ensuring that the proceeds are prudently invested for future consumption. This woman just wanted to have fun and she wanted her son to have fun as well.

This story reminds me that leaving a legacy is a very personal thing. There are no right or wrong ways to do it. The goal of each estate plan is to express your most cherished vision of the world and show your heirs what these mean to you and how they can pass your life's wisdom on to the next generation.

Ron's Mom reminds me to be mindful of the cherished values each of us bring to this experience called life. By reading this book it is our hope that you may find your own voice for expressing what is most dear to you, so you can better inform your professional advisors.

Lise: Several years ago, one of my long-term clients, Jack, came to one of our estate-planning informational evenings. Our guest speaker was a local estate-planning lawyer who put on a good presentation with a few helpful stories meant to encourage our guests to ensure their wills and powers of attorney were up to date.

After we had all enjoyed some coffee and dessert, my client approached me and asked, “What should I do? My 90-year-old mother has passed away and left me \$1,000,000.” He appeared to be in a state of shock. We booked an appointment for the next week to review how this windfall would change his financial plans.

During our review it came out that his mother, a child of the Great Depression, had been a frugal woman indeed. My client had no idea he would receive an inheritance, or even how that could be possible, given how modest his parents’ lifestyle had always been. He was overwhelmed by the size and nature of his inheritance.

Though his father earned the money, it was his mother who handled all of the finances for the household. He recalled that they took in boarders to supplement his father’s income.

My client had long given up trying to persuade his parents to spend a little money on themselves. The carpeting had been in need of replacement for years. The wallpaper he remembered from his childhood was noticeably faded. Still, his parents led a happy life taking short trips in their little Boler trailer (the ones that look like a very small Airstream made of fiberglass) as they aged. They stayed close to home and lived in the family farm house until their deaths; his father first and his mother six months later.

Once we undertook a review of his inheritance and began the task of transferring the assets into my client’s name, it became clear that the bulk of his inheritance was comprised of the proceeds of a life insurance policy. My client was faced with the realization that all those years of scrimping and saving, deferring the purchase of carpeting and fresh wallpaper, was to fund the cost of the premiums. Her investment in premiums over the decades resulted in a \$1,000,000 windfall. She had chosen to leave a financial legacy so that her only son would never have to worry about money again. In so doing she left behind a legacy of her values for frugality, hard work, and love of family.

Over the years, my client chose to follow in his mother's footsteps. At age 75 he continues to work, though he could have retired decades ago. He lives in a tidy and modest home with his wife of 53 years, Julie, out in the country.

The inheritance he received from his mother has almost doubled in size. Other than providing each of his four sons with a small gift at the time of his mother's death and funding savings plans for his eight grandchildren, the money remains untouched. He is saving it for a rainy day, just as his mother would have done.

I once asked him what his views were on life insurance as a tool for estate planning. His answer was: "Who would do such a thing?" I laughed out loud and declared "Your mother!" we both had a laugh then and began the work of looking into how life insurance policies might work for him and his family.

At first blush, Jack's story may seem to be the polar opposite to Ron's, but in truth the stories are very similar. Both parents had a clear vision of what they wanted to leave behind and they purposely set out to do just that. Both mothers would be proud of these sons for carrying out their wishes and passing their cherished values down to the next generation.