

# The Future of Estate Planning



**Eido M. Walny, Esq.**  
**Walny Legal Group LLC**  
 250 East Wisconsin Ave., Ste. 1750  
 Milwaukee, WI 53202  
 Phone: 414-751-7531  
 Fax: 414-455-4419  
 Website: www.walnylegal.com  
 Email: ewalny@walnylegal.com



Copyright © 2019 All rights reserved.

---

---

---

---

---

---

---

---

---

---

## Future of Estate Planning

- What I am not: a Futurist
- What I am: observant

And why you should care.....



For internal use only. Not for distribution.

---

---

---

---

---

---

---


---

---

---

## Future of Estate Planning

- The business world has evolved significantly in the last few decades
- The business of estate planning has been at the forefront of this change



For internal use only. Not for distribution.

---

---

---

---

---

---

---

---

---

---

## Future of Estate Planning

- Practitioners should be aware of the following trends
  - Changing business model
  - Demographics
  - Planning Post-2017 Tax Reform
  - Technology



For internal use only. Not for distribution.

---

---

---

---

---

---

---

---

## Impact of the Great Recession

- Showed the vulnerability of the “big corporate” business model
  - Partner Compensation & Overhead
  - One-size-fits-all approach led to inflexibility
- Massive layoffs in financial services sector and major “big law” firms
- Many estate planning departments completely disbanded



For internal use only. Not for distribution.

---

---

---

---

---

---

---

---

## Incompatibility

- The nature of estate planning practice is not best suited to a big corporate environment
  - Increased need for specialization
    - Clients’ needs and portfolios are changing as society becomes more global and interconnected
      - Many EP clients now have assets located in another state or country, requiring specialized knowledge and unique planning
  - Client pushback on billing structure
    - Family budget v. corporate budget
    - Unwilling to pay \$800+/hour



For internal use only. Not for distribution.

---

---

---

---

---

---

---

---

## Incompatibility Cont'd

- Client Relationships
  - Estate planning professionals spend a significant amount of time establishing client relationships and advising clients
    - Some of this time is not “billable” and therefore, despite its value, not rewarded in the big corporate business model.
- Referral Network
  - Estate planning professionals spend a significant amount of time networking and building referral sources

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

## Estate Planning Practices

- So what does the future look like?
  - Answer: Los Angeles

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

## Boutique Estate Planning Practices

- Increasing trend both in United States and internationally
- Smaller organizational size
- Focused areas of expertise
- Greater flexibility

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

**Boutique Estate Planning Practices**

- Flat fee billing
  - Allows planners to focus on client relationships and delivering high-quality end product, unburdened by hourly performance metrics
  - Higher client satisfaction
- High quality customer service
  - Niche areas of practice allows planners to use expertise and focus on client's unique needs
  - "This is all we do, and we do it well"

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

**Boutique Estate Planning Practices**

- Business model compatible with the practice of estate planning
  - Decreased costs
  - Improved services
- Advantage of informality
  - More client access to senior planners and partners
  - Build personal connections that lead to repeat business and referrals

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

**Boutique Estate Planning Practices**

- "It may be that big firms don't need estate planning groups. But at this point, it doesn't matter because good estate planners don't need big firms either."
  - Joel Schoenmeyer, Death and Taxes blog

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

## Population Demographics

- Every population group has different estate planning needs and goals
  - Baby Boomers
    - Grew up in time of relative prosperity and accumulated wealth
    - Yet the majority have done no estate planning
  - Millennials
    - Came of age during Great Recession and rising student loan debt
    - Misconception they “don’t need” estate planning
- How to reach these potential clients
  - Know your audience
    - Focus on estate plan that fits their chapter in life

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---


---

---

## Baby Boomers

- Baby Boomers have created a huge demand for estate planning services
  - As this population (born between 1946-1964) continues to retire, there will be a growing number of seniors needing the services of estate planning professionals
    - Retiring at a rate of 10,000/day
    - Currently estimated to consist of 72 million people
- Life Expectancy
  - Currently estimated at 83
  - The fastest growing demographic is for Americans age 85 and older

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---


---

---

## Baby Boomers

- Scary Statistics...
  - According to 2019 study from the Insured Retirement Institute, Baby Boomers are woefully unprepared
    - Nearly 50% have no retirement savings at all
    - Nearly 70% will require long-term care, yet have not planned
    - Nearly 70% have taken no steps to protect themselves if they suffer diminished capacity or dementia and do not have living wills or powers of attorney established
- Significant Opportunity...
  - The needs of this demographic will continue to grow in the immediate future and keep estate planners in high demand

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---


---

---

**Millennials**

- Millennials will create a new challenge for estate planners
  - This demographic (born between 1981 and 1996) is expected to reach 73 million in 2019, overtaking Baby Boomers in population size
- Generally less traditional and delayed timeline on life milestones-(marriage, house, kids, etc.)
  - Shifts focus of their estate planning needs
  - Not as future-oriented or inclined to plan

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---

**Millennials**

- Common reasons for resisting an estate plan:
  - “Don’t have enough assets to leave anyone”
  - “Just haven’t gotten around to it”
- Savvy estate planners will find creative ways to reach this population
  - Bust the myth that estate plans are only for “old people”
  - Message: a plan now will prevent problems later

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---

**Collaboration is Key**

- Today’s consumers, especially Millennials, expect professionals to collaborate and deliver
  - Not billed in separate chunks for one end product
  - They expect results: don’t want/need to know the “how-to” of the process
- Estate planning is well-suited to collaboration
  - Attorneys, financial experts, and investment advisors complement one another and combine forces to achieve client’s planning goals

For internal use only. Not for distribution.




---

---

---

---

---

---

---

---

### Estate Planner Demographics

- A significant portion of today's estate planners are also Baby Boomers
  - Report of the Estate Planning in the 21<sup>st</sup> Century Taskforce (2011 ACTEC Annual Meeting)
  - Like their clients, they are preparing for retirement
- Supply of experienced estate planners will be diminishing (exactly when their demand is increasing)
  - Significant opportunity exists for younger and experienced estate planners

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

### Increased Demand for Services

- Wealth Transfer
  - “Families are going to pass on more wealth in the next 10 years than in the history of humankind, and someone is going to have to shepherd that wealth transfer”
  - Atty. Schlesinger, founding partner Schlesinger Gannon & Lazetera (boutique T&E firm in NY)
  - The largest intergenerational wealth transfer in history is projected to occur in 2052, with a total transfer of approximately \$41 trillion

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

### Tax Reform & Estate Planning

- Tax Reform Act of 2017
  - \$11,400,000 individual exemption (indexed for inflation)
  - Estate, gift and GST rate remains 40%
  - Portability for married couples remains
- Non- tax planning becoming increasingly important given changing population

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

**Post-Tax Reform Planning**

- Less emphasis on tax planning for modest estates
  - Incapacity planning
  - Retirement income planning
  - Insurance planning
- Moderate estates still need to engage in tax management planning
  - Credit Shelter trusts with disclaimer funding provisions

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

**Post-Tax Reform Planning**

- High net worth clients need to engage in complex and sophisticated estate planning
  - Multiple and complex revocable and irrevocable trusts
  - Gifting strategies
  - Tax mitigation planning
  - Asset protection

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

**Tax Reform Permanency?**

- Current law set to sunset at end of 2025, exemptions would revert to 2017 levels
- House passed “Tax Reform 2.0” legislation in September 2018, to make current exemptions permanent. Bill not taken up in the Senate
- Political reality
  - Current divided government
  - Election year politics

For internal use only. Not for distribution.



---

---

---

---

---

---

---


---



### Bottom Line...

- Estate tax exemption amount has never gone down...until it goes down
  - At some point, it will go down
  - Current path is unsustainable
    - In 2018 less than 2,000 estates were subject to the tax
- Political unknowns should give planners pause
- Lack of permanence may mean the best planning move to make is no move at all

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

### Evolving Market

- Quality v. Cost
  - Any mistakes will result in serious consequences
- Recent graduates
  - Do not have the expertise necessary to draft documents
- Legal Zoom
  - While such sites allow you to “draft” your own estate planning documents, they rely on a one size fits all strategy
- To be competitive, they must focus on quantity over quality

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

### Technology

- Embrace Technology
  - Increases Efficiency
  - Lowers Overhead
  - Increases Margins
- Practical
  - Communication and Availability

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

## Technology

- Futuristic
  - Virtual Offices
  - Supercomputers
  - Virtual Assistants

For internal use only. Not for distribution.



---

---

---

---

---

---


---

---

## Conclusion

- The future is bright, for those who seize the opportunity
- “In this world nothing can be said to be certain, except death and taxes.”
  - Benjamin Franklin
- Bottom Line: There will always be work for estate planning professionals because neither death nor taxes are going to disappear

For internal use only. Not for distribution.



---

---

---

---

---

---

---

---

# Questions?



For internal use only. Not for distribution.



---

---

---

---

---

---

---

---