

Introduction To Our Legacy Plan

This letter establishes the foundation for the other letters in this section and your estate planning documents. It describes your expectations and the reasons you've chosen to distribute your property in the way you have.

Dear children,

Your mother and I recently updated our estate planning documents. Although we are in excellent health and hope to live for many years, life is unpredictable. While our documents explain how our assets are to be distributed, it is our intent to explain why we structured our estate in the manner we did.

Parents teach their children by both their words and actions. Our estate planning documents will be our last "lesson," and we want them to reflect our values.

In "broad brush" terms, our estate plans leave our property upon our deaths to each other. Only upon the death of the second of us will property pass to you. You will each receive an equal share of a specific dollar amount. The balance will pass to our charitable fund. This letter provides insights into the reasons for our decisions.

Both your mother and I were blessed to grow up with wonderful parents in loving families. While our parents met all our needs as children, when we finished our schooling, they made it clear that we were to make our own way in the world. When we had our first child, your mother wanted to be a stay-at-home mother. Since she had a good job and I had only just graduated, our decision put a financial strain on us. Our family grew more quickly than our business, so we had little discretionary income in the early years. We had each other, our friends were in a similar situation, and we had fun making do with the little we had. Your mother and I made a pact: She would run the household and raise our children and I would provide the necessary financial support. Without doubt, your mother had the harder job!

Without your mother's support I would never have enjoyed the success I've had in business, so the primary goal of my estate plan is to make certain she has absolute financial security for the remainder of her life. Because I have complete confidence in her judgement, my trust documents give her significant latitude while still being tax efficient and protecting our assets from creditors and predators.

One of the wonderful gifts our parents gave each of us was a college education. We didn't truly appreciate the value of that gift until we put you through school. It was only then we realized the huge financial sacrifice our parents had made.

Just as we have helped you through college, we also want to help your children. We will continue to fund 529 Plans for each of our existing (and any future) grandchildren.

Perhaps the greatest gifts our parents left us were the examples of hard work and living within one's means. They gave us the freedom to fail and the opportunity to make it on our own.

Over the years, we have witnessed the impact that inherited wealth can have on heirs. While some children are equipped to handle the inheritance of large sums wisely, the impact on children who have little preparation or instruction can be hugely detrimental. These recipients often lose their self-esteem and tend to overcompensate by buying big homes, fancy cars, expensive jewelry and living an extravagant lifestyle, some abusing alcohol, sex, or drugs.

A short story that best exemplifies this phenomenon is the story about a butterfly.

A man found a cocoon of a butterfly. One day a small opening appeared. He sat and watched the butterfly for several hours as it struggled to force its body through that little hole. Then it seemed to stop making any progress. It appeared as if it had gotten as far as it could and could go no further.

The man then decided to help the butterfly. He took a pair of scissors and snipped off the remaining bit of the cocoon. The butterfly then emerged easily, but it had a swollen body and small, shriveled wings.

The man continued to watch the butterfly because he expected that, at any moment, its wings would expand to support the body, and the body would contract.

Neither happened! In fact, the butterfly spent the rest of its short life crawling around with a swollen body and shriveled wings. It never was able to fly.

What the man, in his kindness and haste, did not understand was that the restricting cocoon and the struggle required for the butterfly to get through the tiny opening were God's way of forcing fluid from the body of the butterfly into its wings so that it would be ready for flight.

Sometimes struggles are exactly what we need. If God allowed us to go through life without obstacles, it would cripple us. We would not be as strong as what we could have been. We could never fly!

On the many occasions when we were tempted to give you money for things you really wanted, we knew it might bring us joy in the short-run but would be detrimental to your growth in the long-run. It is for this reason that we have made a conscious decision not to give you large cash gifts while we are alive.

It is statistically likely that one or both of us could live a long time, and you could be near retirement age before you receive an inheritance. For those of you who didn't accumulate adequate funds for a comfortable retirement, your inheritance will be your ultimate safety net. Those of you who were more adept at accumulating wealth can pass your inheritance to your children and grandchildren or give it to charity.

Upon our deaths, a sizable portion of our estate will go to charity. Specifically, that portion will be left to our existing Donor Advised Fund for the following reasons.

- As spelled out in a separate letter, we feel that we have met our obligation to you, and the inheritance you will receive will provide an adequate safety net.
- Giving to charity is something we have done our entire lives and is consistent with our values.
- Allowing you to make gifts from our Donor Advised Fund should be rewarding and provide you an opportunity to meet regularly and work together.

In conclusion, we hope that this and the following letters will shed light on what is important to us and why we have chosen to distribute our assets in the manner we have.

- We value education as an opportunity to broaden our minds and add value to society.
- We believe in hard work, self-discipline and the self-esteem that come from making it on one's own.
- Through judicious use of trusts, we feel we have provided you both protection and flexibility.
- By providing you a predetermined amount of inheritance, we believe we have been generous while providing you incentive to do your absolute best.
- We have purposefully delayed your inheritance to provide us maximum lifetime financial security and provide you the opportunity to make your way in the world on your own terms.
- We believe in giving back to those less fortunate and using charitable giving to build stronger family ties.

We realize our plan is not perfect. No doubt we have failed to anticipate certain actions or circumstances. Please accept any mistakes we may have made and know that we have done the best we can with the tools and knowledge we have. Our plan will be successful if it allows you to reach your full potential and is not a detriment to your personal growth.

Living a life that matters isn't a product of luck or circumstance but of choice. It is our sincere hope that you choose to live a life that matters, and our estate plan helps you to achieve that end.

Love,

Mom and Dad