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Question:

What are the three most important questions to ask myself about estate planning and wealth transfer?

Answer:

When I'm trying to decide who's going to get the wealth that God has entrusted to me through my wealth transfer plans or my estate plans, I've really got three questions I need to answer. And I have the benefit of having five children, all that are married, and several grandchildren, and so it took Judy and I two years to answer these three questions, because it's a very complex situation.

We asked the first question was, "If we transfer 'X' amount of dollars to 'X' child, what's the worst thing that can happen?" Well, that differs, because in some cases I've got a teacher or a missionary-type child. I've got a single mom. I've got an entrepreneurial son-in-law. I've got a banker son-in-law. I've got differing situations. I have an attorney son. They all have differing economic backgrounds and needs. And all of them are doing okay, but we ask ourselves the question, "What's the worst thing that can happen if we transfer 'X' amount to that particular child?"

In one case, we have a daughter who's married a young man who has an intense need to provide for his family. And if we transfer too much in our estate plan to that particular child, we could destroy his need to provide for his family. That's a very serious thing, and that leads to the second question. "Well, if this is the worst things that can happen, how serious is it?" And in that particular case, it would be very, very serious to get in the way of his need to provide for his family. And so

we have to be very careful about how much we would transfer to that particular child.

One of our other children, we said, "Well, what's the worst thing that could happen if we transferred an amount of money to him and his wife?" And the answer was, "Well, he'd probably just give it away." Well, is that very serious? No, that's not really serious. In the first case it was very serious in terms of the need to provide. In this particular case, it wasn't very serious. And that's the third question. And that is "What's the probability of it happening, if, in fact, we do that?"

So, the first question is: what's the worst thing that can happen?

Secondly: how serious is that?

And thirdly: what's the probability?

In one particular case, it was a very serious consequence, and there was a very high probability, and so it drove our decisions relative to that family different to our single mom, our teacher son, our attorney son, and our other daughter and her husband.

So, what's the worst thing that can happen? How serious is it? And what's the probability of it happening? What you don't want to do in making these decisions is to destroy what God has intended for your heirs.