Key Elements of Estate Planning Education

Presentation given by a Panel of Extension Specialists in New England: Paul Catanzaro, Jay Rasku, Wendy Sweetser given at the 2012 Regional Conservation Partnership Gathering on November 13, 2012 in Concord, NH

Notes taken by Steve Falivene

Paul Catanzaro:

Paul led off defining "estate planning" (a Massachusetts/NE term) and "successional/legacy planning" (the term for it out West or outside New England) as synonymous. He wanted to make it clear that land, as an asset, is likely one of, if not the most valuable asset landowners have. He wanted people to understand that land is NOT a typical asset because it must be considered for its significant accompanying emotional attachment- that both financial AND personal/emotional needs must be met when planning and executing an estate plan concerning land ownership and passing the land on. The reality is that most landowners have critical financial needs that must be met by the estate plan and its related transactions/transferals of the land.

Paul continued to explain that land is a flexible asset because there are many options available with land ownership and passing the land on. The biggest challenge related to the estate planning is often related to getting the landowners to investigate the many creative solutions involved with all their possible options. Selling it is often the first option and selling it often involves creative options when dividing the land. It is not necessarily sold intact or at the same time once divided- more often than not parts are sold separately on different occasions. When discussing options Paul pointed out that the estate plan does not have to be passed on accompanied by an easement. He presented statistics that the average NE landowner is over 60 years of age if not well older than 60. 73 percent of Massachusetts Forest parcels are less than 10 acres. He wanted people to understand that we cannot underestimate what a "big, BIG threat" it is that so many landowners are so elderly. Time is not on the side of effective estate planning- he considers this an emergency- very likely the biggest threat to successful estate planning in New England.

Estate planning is often accomplished by taking into consideration the fact that one can NOT assume land will transfer through the landowner's family. Families nowadays come in all shapes and sizes and configurations and estate planning must account for intergenerational transfers not being what would be considered traditionally "clean." Not only is a landowner's most valuable asset at stake but estate planning effectively has the well-being of the landowners' clan and heritage very much at stake. Not only the land but the succession of the family can be affected by the success or failure of the land's successional outcome. Again, one can NOT underestimate the emotional attachment along with the financial considerations- there is a “real human element” to the estate planning.

Paul continued by addressing the nature of landowner decision making. Land decisions are rather infrequent and can take years, even decades between decisions about the land. Estate planning addresses the fact that most landowners simply enjoy their land and do NOT plan ahead about transferring the land. Given how infrequent the decisions on land succession are it is often a “reactive approach” that predominates when it comes to the choices made for passing on the land. This harkens back to a lack of understanding of the many available options and required creativity in land transfer. The process often comes with almost insurmountable time pressure constraints on top of inadequate or limited information about better options, and therefore, better decision making. Besides family dynamics THE MOST SIGNIFICANT PREDICTOR OF A LANDOWNERS OPENESS TO CONSERVATION OF THE LAND is that the landowners know their neighbors! It’s a matter of trustworthiness- neighbors are trusted to be unbiased, aware of local issues, carrying similar values. And neighbors are within close proximity, all of which leads to relationship building in between the infrequent estate planning/land transfer decisions.

To facilitate effective estate planning in between what are very infrequent decisions Paul suggested the nuts and bolts of estate planning is found in helping landowners to focus on the next steps. Talk to the spouses and to the family members. Facilitate communication between the family members and ensure it is documented. Put them in contact with estate planning professionals and estate planning agencies. Set up landowners with certified consulting foresters, land protection specialists and tax attorneys. And importantly, encourage the landowners and their families to document their wishes.

Jay Rasku:

Jay spoke about all the elements involved in organizing exceptional estate planning events. He suggested the first step is to get organized. DEFINE YOUR GOALS for specific estate planning events. Both short and long-term goals and write them out. Much is fleshed out by the process of writing them out. DEFINE YOUR AUDIENCE, beginning with broad groupings and working toward more specific audience members. ESTABLISH CONTENT / SET THE AGENDA which requires establishing a thoughtful format while determining the event presenters (who may be most effective if they are peers of the audience members). Secure a VIABLE COMFORTABLE LOCATION in which the event will be held.

Jay then listed and discussed LOGISTICS to be addressed including:

Date (+ back-up date), Time of day, Materials required, Facilitator (time keeper), Greeters, Comfort (Air temperature, Washrooms, Signage, Accessibility, Nametags), Food/Coffee, etc., Prizes, Evaluations, Photographer, AV/Mics, Funding/Sponsors.

He went on to speak of the RECRUITMENT MESSAGE in more detail mentioning how important the materials are that present "the hook," who, what, why to be considered in packaging the problems/solutions/actions asked of the audience for the event. He suggested success often can be directly related to knowing and focusing on what will best resonate with the audience. Jay spoke more on the MESSENGER (presenters) that may have community clout for the audience (local leaders, town board members, keystone cooperators) again mentioning the value of presenters being peers of the audience. He addressed GETTING THE AUDIENCE IN THE SEATS- mailings, press/advertising, working with co-sponsoring organizations which may encourage a captive audience. Direct telephone outreach is often most effective. The idea is to work hard to ensure the message is delivered at the event. He stressed the importance of PLANNING AND PREPARATION. To make a plan have a plan that builds momentum and sets the audience up for success. Trial runs and practicing presentations are good ideas.

Jay finished his portion of the breakout session emphasizing the importance and value of FOLLOW-UP not only with evaluations at the event but further after the events: debriefings, thank yous and any other follow-up that keeps up the momentum for people to take action accomplishing their estate planning.

Wendy Sweetser:

Wendy was responsible for presenting a more detailed look at estate planning CONTENT. She emphasized that the goal can always be to get people to understand that estate planning is an ongoing process. To just get underway is the main thing. Often the first step is to secure a resource contact. Keep in mind that the land transfer is best accomplished with clear documented wishes and goals based on landowner/family values. Understand it is familial to the nth degree and emotional. Estate planning involves taxes, ownership structure, wills, and trusts, and distribution plans among other tools and land conservation approaches. There are many options to know about and be creative about. Wendy suggested speakers that can be effective are estate planning attorneys, tax attorneys, CPAs, financial planners, land protection specialists, certified foresters and peers that have been through it.

Since workshop content can be rather involved, it may be best divided into two sessions if possible. At any rate it is important to DEFINE LAND PROTECTION emphasizing that your land is your legacy. There is great benefit in limiting land development and there are tax incentives to be aware of. Wendy emphasized that the best chance of success stems from using "storytellers" (with credentials- especially non-profit motivated ones) that are most effective in reaching an audience, providing for audience comfort (food and drink, etc.), in articulating at least one clear next step for them to leave with, and, effective evaluations and follow-up. Peer/neighborhood meetings that provide written next steps and timelines that describe steps taken/to be taken and present obstacles to moving forward and how to overcome them.

Wendy emphasized the value of making the audience see that you can make it manageable- that there are professionals who care that will help and that the process will be less expensive with better planning. Land trusts may help facilitate the process with cost appraisals, due diligence funding and government monies put to use to facilitate the process. She mentioned that it is important for the audience to understand that conserving woodlots is NOT TYPICAL business- it can be a long emotional but very rewarding process. It is good to provide trustworthy professional referrals, land trust contact information, local landowner contacts willing to share their stories and websites that can help like WWW.MASSWOODS.NET