

## A Study Conducted on Behalf of American General Finds Estate Planning Remains Vital Amid Changes to Estate Tax

*Respondents Cite Control Over Directing Wealth to Chosen Benefactors as Top Reason to Plan*

A new study suggests that the recent debate surrounding changes to the estate tax law has not dampened the strong interest of affluent Americans in engaging financial advisors to develop their estate plans. According to the study, the affluent depend on estate planners for multidisciplinary knowledge that reaches beyond grappling with taxes.

The study, "Survey of Mature, Affluent Consumers on Estate Planning and Wealth Transfer Issues," was conducted by Mathew Greenwald & Associates. More than 200 Americans age 50 or over with at least \$2 million in net worth were asked a series of questions concerning their views on estate planning and wealth transfer issues. The study was conducted on behalf of American General and The Academy of Multidisciplinary Practice, Inc. American General is the founding sponsor of The Academy, a collaboration among academia, business, and industry professionals to develop estate and wealth transfer solutions across all financial planning disciplines.

The study showed that while virtually every wealthy American is keenly aware of discussions in Washington regarding reduction or elimination of the estate tax, 83 percent report these discussions have not caused them to delay estate planning activity. Almost 9 in

10 still feel that estate planning is very important. Furthermore, taxes are not the most critical issue—respondents place a higher level of importance on directing their wealth to beneficiaries (87 percent) than on minimizing estate taxes (79 percent).

### Reasons for Estate Planning

	VERY IMPORTANT	SOMEWHAT IMPORTANT
Direct resources to those you choose	87%	10%
Minimize estate tax liability	79%	16%
Ease family's emotional burden during a time of stress	55%	25%
Provide for the continuation of a business	14%	10%

Estate planning is a complex and multidisciplinary process that can involve financial planners, attorneys, life insurance professionals, planned giving experts, registered investment advisors, and trust officers. The survey shows that the affluent rely on planning professionals to provide an array of information and a network of experts to help them prepare their estates. In fact, 83 percent agree that it's important for an estate planner to have access to a network of financial experts.

Findings also suggest that most affluent Americans are very involved in developing their estate plans. Eighty-one percent report having a formal estate plan. A large majority also report having prepared a will, a power of attorney, and a living trust, as well as having named estate trustees.

A significant number of respondents also report having consulted with attorneys, accountants, financial planners, and stockbrokers in preparing their estate plans. Nearly one-third report having used an insurance specialist.

### Type of Professionals Used for Estate Planning

*(Among those currently receiving advice on estate planning issues)*

- ▶ Attorney — 89%
- ▶ Accountant — 78%
- ▶ Independent Financial Advisor — 54%
- ▶ Stockbroker — 50%
- ▶ Insurance Specialist — 31%
- ▶ Banker — 22%
- ▶ Other Financial Professional — 6%

More than 68 percent of respondents noted it's very important that their advisor(s) have a professional designation, such as a CPA, CLU/ChFC, CFP, or law degree.

Wealthy Americans appear to be pleased with the advice they're getting from estate planning professionals. More than half (55 percent) of respondents find their estate planning advice to be very effective, and the vast majority (87 percent) report that it has not been difficult for them to coordinate with various professionals.