

Seventy Percent of Estate Plans Fail

Seventy percent (70%) of estate plans fail. This is the conclusion of an extensive study conducted by Roy Williams and Vic Preisser, and described in their book, *Preparing Heirs, Five Steps to a Successful Transition of Family Wealth and Values* (San Francisco, Robert D. Reed Publishers, 2003).

The Williams and Preisser study involved 3,250 estate plans. A failed estate plan was one in which planned asset transfers from benefactors to beneficiaries did not result in the full value of the assets (valued at the date of the benefactors' deaths) ultimately being transferred to the beneficiaries. The value of all bequests to beneficiaries was less than the value ascribed to all assets at the benefactor's deaths. I am assuming their study took into account basic administration costs and economic factors.

Williams and Preisser argue in their book that the primary reason why estate plans fail is a lack of effective communication between benefactors and their family beneficiaries. In my experience estate plans fail for several other reasons summarized in the introductory video found on this website.

In my decades of experience in estate planning, Williams and Preisser's seventy percent failure figure is more than believable. For numerous reasons, at least 70% of estate plans fail to live up to what they promise to do. The value of all bequests to beneficiaries is often significantly less than the value of all the benefactor's assets at the benefactor's death, after taking into account administrative costs and economic factors. The reasons most estate plans fail in this way include reliance on cheap online documents and document-mill attorneys (poor documents); lack of communication between benefactors and beneficiaries (Williams and Preisser); mistakes and misunderstandings of the law on the part of inexperienced executors; outright fraud; and disputes and litigation.