

Creating an Ethical Will

You may or may not have heard the term “ethical will.” But, for those who care about making their values and ethics part of their legacy, it is a tool to consider when planning your estate.

Unlike a “last will and testament”, which provides for the distribution of a person’s material assets, or a “living will”, which contains instructions for how you want to be treated medically at the end of your days, an “ethical will” is designed to let someone preserve and share their values, principles and beliefs for heirs and future generations, though it’s not legally binding.

According to Personal Legacy Advisors’ Web site, an ethical will is a letter that transmits the non-material assets that are also of great importance: your values, your story, the lessons life has taught you and the other information that is too valuable to risk being lost. Your ethical will is the tool that enables you to address the question, “What do I want my loved ones to know?”

Financial writer Bruce Fraser says, “As a concept, ethical wills are not new. The first written reference to ethical wills occurs in both the Hebrew and Christian Bibles. Examples are *Genesis*, chapter 49, and *The Book of John*, chapters 15-18. Over time, they evolved into written documents.”

While ethical wills were traditionally shared after death, along with the reading of an individual’s last will and testament, today they are often shared during the author’s life. Exact figures aren’t available for how many people are writing ethical wills but they are on the rise based on increased Web activity and sales of ethical will resources. They have gained impetus particularly in the wake of tragedies like the September 11, 2001, terrorist attacks.

Fraser shares these tips and tactics in a November 2006 *Financial Advisor* magazine article:

Why create one? People are inclined to write an ethical will when facing a challenging event, or at a turning point in life. Some examples are facing the loss of a loved one, birth of a grandchild, expectant parents, becoming an empty-nester or approaching the end of life. Other reasons to create an ethical will include:

- Your reflections will confirm what’s important and renew appreciation of your life to date
- You will create a personal message to those you love, of priceless value in the event of your absence
- If you do not tell your personal (and family) stories, they may be lost forever
- Your material assets can be given within a personal context
- You will mitigate confusion and hurt feelings with a personal explanation of potentially controversial elements of your legal will
- Your spirit will be expressed on paper, living beyond you in a timeless way
- Your words will link the past, present and future generations of your family
- You will enjoy peace of mind knowing the most important things will have been said.

Pros and cons. The pros of an ethical include having an opportunity to influence future generations. Through the process of writing an ethical will, the writer can gain self-knowledge and come to an understanding of what’s most important to him or her. This is valuable

information not only for their families but their professional advisers as well. Another pro is that ethical wills are private documents. Unlike a will, which if admitted to probate will become a matter of public record, an ethical will is a private communication and will not be made public unless the author (or recipient) so desires. The con is that an ethical will is not enforceable in a court of law. Those who want to provide specific instructions, such as who is to receive which asset or how assets are to be distributed and under what conditions, would need to put the instruction in a will or trust.

Setting up an ethical will. Ethical wills come in a variety of forms, from a short letter to a lengthy autobiographical statement, from an audio-recorded message to a bound album. There are three basic ways to create an ethical will.

1. Begin with an outline and list of suggestions. Once you've created a rough draft, you can review and personalize it as much as you wish.
2. Begin with guided writing exercises. For example, start with phrases such as "From my grandparents, I learned..." or "I am most grateful for..."
3. Begin with a blank sheet of paper and write down whatever is relevant about your thoughts, experiences and feelings. This is an open-ended approach. Eventually you should be able to create a comfortable structure for your ethical will. For one-on-one help, an organization like the Association of Personal Historians may be of assistance.

Other tips from Personal Legacy Advisors include the following:

- Start today: If you were not here tomorrow, what is the most important thing you would not want left unsaid? Write it down - now you've begun
- Relax: You are not trying to write for the Pulitzer Prize. The letter is a gift of yourself, written for those you love
- Ask yourself: What do I want to make sure my loved ones know and have in writing
- Take it topic by topic: Don't try to write it all at once
- Be yourself: You cannot bequeath what you never owned to begin with
- Be careful, be loving. The reach of this letter is unknowable.

Sharing your will. It's a good idea to share your ethical will not only with family and friends, but also with your financial adviser and attorney. Knowing what you value and what's important to you will help them to develop a personalized plan that can help you to leverage your values in the future.

An ethical will speaks to one's posterity or descendants long after the legal will has been probated and forgotten. Of note, an ethical will is a dynamic document. Just as a will or living trust document needs to be revisited so does an ethical will, because events occur in ones' life that have an impact on ones' value systems.