

# Why Estate Planning Matters *(Part #1)*

## **Control, Protection, and Efficiency**

Estate planning is more than document preparation. Clients value advisors who can confidently guide basic estate planning conversations, even when an attorney ultimately drafts the documents. Beyond protecting families, these conversations deepen relationships and often increase client retention.

This Office Hours Study Guide explores three foundational reasons estate planning matters: client control, beneficiary protection, and tax and cost efficiency.

### **CLIENT CONTROL: Ensuring Wishes Are Honored**

At its core, estate planning is about control.

Clients work hard to accumulate wealth, whether \$100,000 or \$100 million. They do not want their assets distributed according to a generic state formula. Yet without a plan, that's exactly what happens.

When someone dies without proper documents, state intestacy laws determine who inherits the assets, courts appoint decision makers, families are left guessing about intentions, and outcomes often conflict with what the client would have wanted

#### **Estate planning helps ensure:**

- Assets go to the intended people.
- Decision makers are chosen in advance.
- Personal wishes—not state default rules—govern outcomes.

Clients may differ in their goals, but every client wants their wishes respected.

### **BENEFICIARY PROTECTION: Safeguarding Heirs**

Estate planning is not only about transferring wealth; it's about protecting heirs from predictable risks. Without planning, there is no protection for beneficiaries.

#### **In most states, inheritance is distributed outright at age 18. That means:**

- Immediate full control of assets.
- No safeguards against poor financial decisions.
- No protection from creditors or future ex-spouses.
- No defense against third-party influence.

**Through thoughtful planning, clients can:**

- Delay distributions to more mature ages.
- Tie access to milestones.
- Keep assets in lifetime trusts.
- Protect inheritances from divorce or creditor claims.
- Allow beneficiaries some control without sacrificing protection.

**TAX AND COST EFFICIENCY: Reducing Unnecessary Losses**

Failing to plan often creates avoidable costs.

**Probate Fees**

Many states impose mandatory probate fees that may range from a fraction of a percent up to several percentage points of the estate. These fees are paid simply for going through the court process.

**State Estate Taxes**

Some states impose estate taxes at relatively low thresholds. Without proper structuring spouses may waste exemptions, and families may pay unnecessary state-level estate taxes. Proper trust planning may significantly reduce or eliminate tax exposure.

**Administrative Costs**

When no plan exists, attorney fees increase and court oversight expands. Families face avoidable complexity, and delays create additional expenses.

While clients may not personally experience these costs, their heirs certainly will, and they rarely appreciate paying taxes or fees that could have been prevented.

**THE BOTTOM LINE**

Control, protection, and efficiency are three critical pillars of estate planning, but they are only part of the broader picture. Estate planning is about preparing for both the expected and the unexpected while ensuring that wealth transitions according to purpose, not default rules.

Make estate planning a standing item in client conversations. Even a brief discussion about control, protection, and efficiency can uncover gaps that materially impact families. Advisors who initiate these discussions position themselves as long-term strategic partners in their clients' lives.

To learn more about this topic, please watch our [Office Hours video](#) or reach out to your investment consultant.

The opinions referenced are as of the date of publication and are subject to change without notice. Material presented herein has been derived from sources considered to be reliable, but the accuracy and completeness cannot be guaranteed. This material is for informational use only and should not be considered investment advice. Clark Capital does not provide tax, legal, or accounting advice. Individuals should consult with their personal tax, legal, and accounting professionals regarding the legal or tax implications of a particular suggestion, strategy or investment, including any estate planning strategies.

This document may contain certain information that constitutes forward-looking statements which can be identified by the use of

forward-looking terminology such as "may," "expect," "will," "hope," "forecast," "intend," "target," "believe," and/or comparable terminology (or the negative thereof). No assurance, representation, or warranty is made by any person that any of Clark Capital's assumptions, expectations, objectives, and/or goals will be achieved. Nothing contained in this document may be relied upon as a guarantee, promise, assurance, or representation as to the future.

Clark Capital Management Group, Inc. is an investment adviser registered with the U.S. Securities and Exchange Commission. Registration does not imply a certain level of skill or training. More information about Clark Capital's advisory services can be found in its Form ADV and/or Form CRS, which are available upon request.