

# WHY A TRUST? WHY THIS TRUST!

## A Purposeful Visioning Exercise

“The Purpose Clause (or some might say the Whys behind your Trust) is the heart of a Purposeful Trust™. Most trusts are created without a Purpose Clause or if the trust speaks of purposes it is a rote expression of the most common “legal and/or tax purposes”.

If the Trust Creator fails to explain the Why behind the creation of the trust, then beneficiaries are left to wonder, “Did he/she not trust me?” “Did they think I’d blow it?” “What’s was more important to them—preserving the money or my well-being?” These questions haunt far too many beneficiaries who struggle to see the positive side of their trust. Instead of viewing it as an opportunity they consider it an obstacle.

“The universe of trust purposes is nearly boundless. It is up to each Trust Creator to decide what matters most; what it is they want to accomplish and what the impact of their trust will be. I have found it very helpful if we consider some of the purposes for which other people have created trusts. Doing so opens up our vistas around what the possible influence and outcomes of our trust might be. I’ve had many clients say, “I never knew you could do that with a trust.” However, each trust is as unique as its creator. So each of us should make sure the illuminating light of our vision and purposes are captured in our Purposeful Trust™. Otherwise, it could be virtually anyone’s trust.

There is one thing which a Trust Creator should never forget to do: spend at least 15 to 20 minutes reflecting on the golden questions of trust creation. Those two questions are: (1) Why am I creating this Trust? and (2) How would I want to be treated if someone were creating a trust for me?

If you ignore everything else, but answer those two questions with as much thought as possible, then you will know your gift will be both positive and Purposeful. If you put all sorts of other bells and whistles in your trust, but neglect to reflect carefully about your hopes and dreams for what you will leave your family your trust will not be as Purposeful as it might have been.”— John A. Warnick

### Step 1:

Carefully review the list of possible trust purposes on the next page of this Exercise. As you do, think about whether you would have wanted that as a purpose of a trust which might have been created for your benefit. After you have gone through the list completely, go back through it but this time circle each of the purposes which you feel is part of the hopes and dreams you have for your Purposeful Trust™.



# WHICH OF THESE WHYS IS PART OF THE GIFT YOU WANT YOUR TRUST TO BE?

<p>Provide Financial Security</p> <p>Enhancement – Make Their Lives Better</p> <p>Encourage Education</p> <p>A Gift of Love, Faith and Hope</p> <p>Guidance</p> <p>Contribute to their Physical and Emotional Well-Being</p> <p>Let Them Know How Much I Love Them</p> <p>Preservation of Wealth or Specific Assets</p> <p>Gift(s) of Family Heirlooms</p> <p>A More Comfortable Life Than We Enjoyed</p> <p>A Vehicle to Pass More Than Money to My Heirs – Gift of Values and Life Wisdom</p> <p>Asset Protection – Protection Against the Reach of “Legal Predators”</p> <p>Promote Family Unity and Harmony</p> <p>Transfer Tax Minimization or Avoidance</p> <p>Legacy – Honor Our Heritage and Roots</p> <p>Encourage Volunteerism and Philanthropy</p>	<p>Teach and Encourage Wise Stewardship</p> <p>Succession Planning – Preparing the Next Generation of Family Leaders</p> <p>Help My Family Acquire Financial Planning and Wealth Management Skills</p> <p>Invest and Manage the Assets Prudently</p> <p>Safeguards and Restrictions</p> <p>Create Mentoring or Coaching Opportunities</p> <p>Preparation of My Heirs for the Wealth</p> <p>Training the Next Generation(s) to be Excellent Beneficiaries</p> <p>Make Their Dreams Possible</p> <p>Incentivize My Heirs</p> <p>Family Bank</p> <p>Help With Acquiring a Home or Starting or Expanding a Business</p> <p>Disinherit Specific Individuals</p> <p>Influence Career, Lifestyle or Relationship Choices</p> <p>Restrict Freedom of Investment Choice</p>
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## Are There Other Purposes You Have Thought of:



## Step 2:

If you circled more than 10 purposes, place a star next to what you feel are the five or six most important purposes.

## Step 3:

Pretend for a second a law was enacted which said your trust can only have one purpose. What Would It Be and WHY? Place three stars next to it and explain below why this purpose is so important and what you hope its accomplishment would mean to your beneficiaries.

## Step 4:

After you have identified the identified the MOST IMPORTANT PURPOSE in the prior step, please rank the other purposes which you placed stars next to or circled, and answer these questions.

Purpose #2 – My Second Most Important Purpose:

- Why is this Purpose Important to Me and How Do I Hope This Purpose Will Be a Positive Influence in the Lives of My Beneficiaries?
- Is There an Experience in Your Life Which Illustrates How Important This Purpose Is?

Purpose #3 – My Third Most Important Purpose:

- Why is this Purpose Important to Me and How Do I Hope This Purpose Will Be a Positive Influence in the Lives of My Beneficiaries?
- Is There an Experience in Your Life Which Illustrates How Important This Purpose Is?



Purpose #4 – My Fourth Most Important Purpose:

- Why is this Purpose Important to Me and How Do I Hope This Purpose Will Be a Positive Influence in the Lives of My Beneficiaries?
- Is There an Experience in Your Life Which Illustrates How Important This Purpose Is?

Purpose #5 – My Fifth Most Important Purpose:

- Why is this Purpose Important to Me and How Do I Hope This Purpose Will Be a Positive Influence in the Lives of My Beneficiaries?
- Is There an Experience in Your Life Which Illustrates How Important This Purpose Is?

