

PRE-ESTATE PLANNING REFLECTIONS

Estate planning provides opportunities for individuals to reflect on their life story, life lessons, values, sources and uses of wealth, family relationships and desired outcomes for their legacy. Here are some questions that may be helpful in your pre-estate planning reflection.

- **What was the source of wealth** and opportunities in your lifetime, your parents', your grandparents'? Were these same opportunities available to everyone regardless of skin color, ethnicity or economic class?
- **Did the color of your skin ever...**
 - Limit the places you can go to?
 - Limit the person you can date and marry?
 - Cause you to be discriminated against in jobs or academics?
 - Cause you to be called denigrating names?
 - Make you feel more vulnerable with police or cause you to be the first one suspected of a crime?
 - Have representation in the books you read, the movies or TV shows you watched, or the teachers who taught you?
 - Limit your ability to use a restroom in a store?
 - Deprive your ancestors of the right to rule their lives?
- **What privileges did your children have** when they were growing up? What will their future inheritance enable them and their children to do?
- **What would you consider the highest purposes of your wealth?**
- **What does wealth stewardship mean to you?** How have you or will you help inculcate wealth stewardship in your heirs?

COMMUNICATING YOUR VALUES

There are many effective ways to communicate your values and legacy wishes with family, friends, and heirs. Legacy letters, ethical wills, vision statements, letters of trust intent and family meetings are often effective ways to share these important messages. Here are some topics you might include in these documents/conversations.

- **What messages or stories** about your perspectives on social justice do you wish to impart to your family and include in your lasting messages?
- **What values and principles** associated with social justice do you wish to encourage and be remembered for? Examples of these values may include:
 - Belief in intrinsic human dignity
 - Giving priority to the poor and vulnerable
 - Equal access to the economic, political and cultural life and resources of the community
 - Dignity of work and rights of workers
 - Standing up against racism and all forms of discrimination
- **What messages about the true meaning of wealth** and responsible stewardship do you wish to communicate with your family?

ESTATE DISTRIBUTION PLAN

Questions to consider:

- ***What would be the ideal purposes*** served by your bequests to heirs?
- ***How much is enough*** to help launch them into productive, resilient and purposeful lives?
- ***How can you assure your heirs' awareness*** of the head-start advantage their inheritance gives them and your wish for them to never take this for granted, to maximize their potential and to use their resources responsibly and compassionately?
- ***Are your heirs prepared*** to receive and responsibly steward their inheritance?
- ***Will a portion of your estate be dedicated to fostering public good?***
 - Specific bequests to charity, including racial justice causes
 - Percentage of estate or estate residue to charity as in Leave 10
 - Option for your heirs to disclaim a portion of their inheritance to go to the estate residue dedicated to charity
 - Encourage heirs to use a portion of their inheritance to make gifts to charity (this results in an income tax deduction)
 - Benefiting charity and family through split-interest trusts
 - Charitable Remainder Trust – trust's income interest to family and remainder to charity
 - Charitable Lead Trust – trust's income interest to charity and remainder to family
- Do you consider yourself the true owner of your assets or are you a temporary steward?
- How do you feel about deploying a portion of your wealth for reparation – helping heal the harm inflicted on BIPOC communities for centuries?

CHARITABLE ESTATE GIVING

- Include charities that:
 - **Focus on** providing services to communities experiencing disparities and inequities due to race, gender-identity, disability and other historic causes of discrimination.
 - **Are accountable** to the communities being served. **They are led and guided** by people from communities being served. **They lift up voices** and groom future leaders from BIPOC communities.
 - **Strive to address the root causes** of economic, racial and social injustice and have on-the-ground experience on these issues.
 - **Endeavor to align the investment** of their charitable dollars with their mission to address inequality.

- **Provide charitable contributions that are:**
 - Flexible and unrestricted
 - Provide support immediately or over a 3-5 year period as opposed to endowment trickles

- Consider also donating to organizations that are primarily involved in advocacy, legislative action, policy development and political action.

- Be proximate by actively engaging with communities of color.
 - “We cannot create justice without getting close to places where injustices prevail...We have to get proximate.” - Bryan Stevenson

- Don't ignore small, scrappy organizations led by BIPOC leaders, which are fiscally sponsored, but are doing effective community-based efforts to address inequities.

- Be humble, but do tell the story behind your giving priorities to peers who may be inspired by your example.

- Some resources for you and your clients when looking for charities committed to social and racial justice issues:
 - Your local community foundation
 - Social Justice Fund
 - Black Future Coop Fund at the Seattle Foundation
 - Borealis Philanthropy
 - Groundswell Fund
 - Giving Compass
 - Washington Women's Foundation
 - Ask local charities in your field of interest (housing, education, etc.) questions about racial equity and:
 - Organization leadership
 - Communities served
 - Programs specifically addressing historical and current race disparities

HOW TO ENGAGE DONORS OR CLIENTS IN CONVERSATIONS ABOUT RACIAL JUSTICE

1. Do your own personal work first. Read books and articles on the systems that perpetuate racial injustice and on how to be an anti-racist. Recognize the sources of your privilege and your implicit biases and resolve to incorporate racial justice values in your family, work, wealth management and estate plan.
2. Be humble and acknowledge that you are new in this endeavor and wanting to be a better ally in the racial justice movement. Don't strive for perfection and don't be afraid to commit mistakes.
3. Ask your clients/donors about their thoughts and feelings around the national conversation about racial inequities. Listen to learn where they are coming from, not to respond with your own viewpoint. Ask questions to clarify their principles and priorities. They may use a different language – and not use the words “racial justice” – but they may still value greater inclusiveness, access and fairness. Confirm that they wish to benefit marginalized populations.
4. If they convey a real interest in helping pursue greater social and racial equity, ask them if they are interested in learning about some ways that they can align this value in their philanthropy, wealth management and estate plan. Always ask permission. Never assume, never surprise them and never be judgmental. Ask permission to share what your organization or firm is doing in response to this national reckoning, special programs around this issue and opportunities they may wish to explore with you and if they wish to be connected to additional resources.
5. If they are not interested in pursuing greater social and racial equity or they say something racist, don't make a statement, ask a question instead. Your goal is not to convince your client or donor of the righteousness of your stand. According to the Philanthropy without Borders, “what you can do is provide the donor space to think through and discuss some of the values and beliefs they are reckoning with while exemplifying your own commitment to racial equity.”

We highly recommend that you read Philanthropy without Border's blog on “Reaching out to Donors about Systemic Injustice: 4 Tips and 10 Conversation Goals.”

INVESTMENT MANAGEMENT:

Incorporating a social justice lens in how assets are invested and managed. (Contributed by Fulcrum Capital of Seattle)

- Policies and Practices
 - ***Divest investments in businesses that negatively impact*** marginalized communities
 - Examples: private prisons, predatory lending, guns, pipelines in indigenous lands, immigrant detention
 - ***Invest in funds, companies and programs that drive positive social outcomes***
 - Institutional funds with an ESG lens (Examples: Calvert, Domini, Parnassus)
 - Deep analysis on specific companies through qualitative research and the use of screening tools (Sustainalytics, MSCI, Equilo, Equileap)
 - ***Engage in advocacy through proxy voting and shareholder activism*** to demand
 - Diverse boards – at least 33% women and people of color
 - Pay practices that reduce inequality
 - Equitable hiring and promotion practices, living wages, access to health care and family-friendly policies
- Diversity contributes to better-run businesses, which contributes to better investment results
 - Above-average profitability
 - Lower volatility in earnings and stock prices
 - Less risk-taking, less debt
 - Lower cost of capital

WHEN HIRING FINANCIAL AND ESTATE PLANNING PROFESSIONALS:

- ***Do the teams*** of your professional advisors ***include BIPOC members in their leadership?***
- ***Do they actively promote*** diversity, equity and inclusion in their workplace?
- ***Are they grooming, training or mentoring BIPOC members*** to advance to positions of greater responsibility in their teams?
- ***How have they exhibited inclusiveness*** and belonging in the way they conduct their business, interact with staff and communicate with clients and the greater community?

YOUR SPEAKER:

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SOURCES & INSPIRATION

Books:

An Indigenous People's History of the United States by Roxane Dunbar-Ortiz

Caste by Isabel Wilkerson

The Color of Law by Richard Rothstein

Born on Third Base by Chuck Collins

Decolonizing Wealth by Edgar Villanueva

Dispossession: Discrimination against African American Farmers in the Age of Civil Rights by Pete Daniel

How to Be an Antiracist by Ibram Kendi

Just Mercy by Bryan Stevenson

Stamped from the Beginning by Ibram Kendi

Teaching for Diversity and Social Justice edited by Maurianne Adams and Lee Anne Bell

The Warmth of Other Suns by Isabel Wilkerson

White Fragility by Robin DiAngelo

Articles & Websites:

White Privilege:

"White Privilege: Unpacking the Invisible Knapsack" by Peggy McIntosh

"Tim Wise on White Privilege" (Media Education Foundation Study Guide)

"White Privilege Glasses Discussion Guide" (Chicago Theological Seminary)

"Encouraging Critical Reflections on Privilege in Social Work and Human Services" by Bob Pease

Racial Wealth Gap:

"The Asset Value of Whiteness" by Amy Traub, Laura Sullivan, Tatjana Meschede and Tom Shapiro

"Doctrines of Delusion: The Federal Government's Racism: Public Subsidies for Private Racism" by Juan Perea (University of Pittsburg Law Review)

"How the GI Bill's Promise Was Denied to a Million Black WWII Veterans" (HISTORY)

Estate Planning through a Social and Racial Justice Framework

Race and Ethnicity Data from Form 1040 and US Census Bureau

The Racial Wealth Gap (Asset Building Policy Network)

Earnings and Employment Indicators (National Center for Education Statistics)

“Three Differences between Black and White Ownership Add to Housing Wealth Gap” (Urban Institute’s Urban Wire)

“4 Ways Repealing the Estate Tax Would Expand the Racial Wealth Gap” by Connor Maxwell and Danyelle Solomon

“4 Ways the Tax Code Amplifies the Racial Wealth Gap” by Andrew Keshner

“Racialized Tax Inequity: Wealth, Racism and the US System of Taxation by Palma Joy Strand and Nicholas Mirkey” (Northwestern Journal of Law and Social Policy)

“Their Family Bought Land One Generation after Slavery. The Reels Brothers Spent Eight Years in Jail for Refusing to Leave It.” By Lizzie Presser (ProPublica)

“HOLC Redlining Maps: The Persistent Structure of Segregation” by Bruce Mitchell and Juan Franco (NCRC)

“Ten Principles for Social Work and Social and Racial Justice” (University of St. Thomas School of Social Work)

Philanthropy:

“2021 Pooled Fund Grant Criteria” of Washington Women’s Foundation

“Social and Racial Justice Philanthropy and Giving” (Resource Generation)

“The Case for Funding Black-Led Social Change” (Emergent Pathways)

“Shifting Philanthropy from Charity to Justice by Dorian Burton and Brian Barnes” (Stanford Social Innovation Research)

“Overcoming the Racial Bias in Philanthropic Funding” by Cheryl Dorsey, Peter Kim, Cora Daniels, Lyell Sakaue and Britt Savage (Stanford Social Innovation Research)

“Racial Equity and Philanthropy” by Cheryl Dorsey, Jeff Bradach and Peter Kim

“Reaching out to Donors about Systemic Injustice: 4 Tips and 10 Conversation Goals” by Philanthropy without Borders

Investments:

“An Indigenous Approach to Community Wealth Building: A Lakota Translation” by Stephanie Gutierrez, Hope Nation LLC

“Redefining Impact: Case Studies in Transformative Finance” (Transform Finance White Paper)

“Racial Justice: What’s investing got to do with it?” By Lisa Hayles (Boston Common)