

Leave a Legacy of Clarity and Control with an ‘I Love You Letter’ to Your Family

Schwab Center for Financial Research

Susan Hirshman, CFA®, CFP®
Director



Key Takeaways

- When a loved one dies, family members often experience disorder and confusion – in addition to grief – as they try to finalize the estate and ensure their loved one’s wishes are followed.
- Creating an “I love you letter” to your family that captures key information, directions, and wishes in one place can help alleviate chaos and instead leave a legacy of clarity, calm, and control.
- Although this letter is not a formal estate planning document, it can be vital for maintaining family harmony and sustaining family wealth over time.

Overview

Losing a family member can be one of the most stressful events a person can experience. In the weeks, months, and sometimes years after the loss, the bereavement is often accompanied by high emotions and turmoil that can launch a family into a state of chaos and confusion. This is not the legacy most people want to leave.

We have found that when family members are well-informed and mindful of their loved one’s wishes and musings, and they have the essential information required to take action after a loved one’s death or incapacity, they are better able to maintain family harmony and sustain family wealth over time. In other words, an enviable legacy.

To help accomplish this, families may choose to use an informal estate planning document we call the “I love you letter.” It’s not a formal or legal document prepared by an attorney; rather, it is a document prepared by you to give to your family.

The letter’s format and contents will depend on your individual desires, personality, values, family wealth, and family dynamics. We suggest an effective letter includes these elements, which are explored in more detail below:

1. Personal information
2. Final instructions
3. List of advisors
4. Account information
5. Personal property disposition
6. Family history, values, and wishes

Some of these items you may have already communicated to your family, but having the information in one place, in written form, can make things easier for your family when you die, or if you become incapacitated.

As we all know, life can change in the blink of an eye. That’s why we suggest the best time to create a letter to your family (as well as all your other estate planning documents) is now. Here’s how:

Where do I start?

To get started on a love letter to your family, ask yourself:

- What information will my family need to help reduce the chaos and confusion they may experience if I am not here to answer questions and guide them? (Consider the who, what, when, why, and how.)
- What possible areas of family conflict should I address?
- What do I want my family to always carry in their hearts?

Start with your personal information

For government benefits like Social Security, or employee benefits such as life insurance, we are often defined not by who we are, but our assigned identification numbers. In your letter, it is helpful to state your:

- Social Security number
- Passport number
- Driver's license number
- Employee ID
- Date of birth

Be sure to include usernames and passwords. This first part of the letter is also the place to list usernames and passwords to email accounts, social media sites, apps, websites, phones, electronic devices, and club memberships, because they are often necessary to access vital information. Your family most likely will want to discontinue recurring memberships and subscription fees as soon as appropriate.

Include final instructions

If your family is not intimately aware of your preferences and desires for your memorial and funeral arrangements and/or if some family members are not aware and may not be aligned, it is best to outline detailed instructions. Here are some items you may want to consider:

Have you already made arrangements and pre-paid?

If so, what is the contact information and existing

paperwork for the arrangements? If not, do you have any specific preferences as to funeral home, services, and interment of remains?

If you are having a service, do you have specifications or preferences (where, when, who, how)? Are there specified people you would like to pronounce your eulogy? Are there specific people you want to be invited to your service, or others you want to ensure are not invited?

Other considerations include:

- Are you an organ donor? If so, is everyone aware?
- Are you going to donate your body for scientific research? If so, have you identified specifics?
- Are there specific details you want to ensure are included in your obituary, if applicable?
- Are there specific preferences for a tombstone inscription, if applicable.

List all your advisors

Senior family members don't always introduce other family members to their financial and legal advisors and allow relationships to develop between them. Therefore, knowing who to contact for financial and legal advice and estate administration may be a challenge. With that in mind, consider creating a list of the following advisors:

- CPA
- Estate attorney
- Business attorney
- Investment advisor(s)
- Banker(s)
- Insurance specialists, including life, long-term care, and home and auto insurers
- HR specialists (if you have employee-based benefits)

Then, in addition to each advisor's contact information, consider including in the letter to your family:

- An overview of the services they provide
- Any specific information or documents your family should be aware of that the advisor may be in possession of (such as wills, trusts, or business buy-sell agreements)

Capture account information

A complete list of your bank accounts (including safe deposit boxes and loans), investment accounts (including retirement accounts), insurance policies, real

property, employee benefits, and veterans benefits is invaluable information for administering your estate. It can also be helpful to include in the letter where family members can find important documents such as birth certificates and marriage certificates.

For each investment, retirement, and bank account, make sure to include the:

- Location/advisor
- Title/ownership
- Account number
- Beneficiary designation, if applicable
- Username and passwords for access to electronic accounts
- Any loans against the account(s)
- Autopay amounts from the checking account (for subscriptions, bills, insurance, etc.)
- Outstanding credit cards, ownership, automatic charges, and automatic payments

Keep in mind that if your credit card is in your name alone, even if your spouse or another person is an authorized user, it cannot be used after you die (it is considered credit card fraud). Whereas, a joint account holder is allowed to continue to use the card. However, joint account credit card holders are not common, so check with your credit card companies. If you are the primary cardholder on all of the family credit cards, you may want to consider making your spouse or other family member a primary cardholder on at least one card so that upon your passing, they have a card available.

If you have digital assets such as cryptocurrency, include passwords, token information, drive locations, and any other information required to allow your family to gain access to the assets.

For real property, business interests, and any associated liabilities, include the:

- Location/type
- Ownership type and percentage
- Location of documents (deeds, partnership agreements, etc.)

In addition, if you are employed or maintain any executive compensation benefits, include in the letter information about your:

- Stock options (make sure to state if you have taken an 83(b) election)
- Restricted stock

- Deferred compensation
- Pension plans and survivor benefits

Decide what happens to your personal property

We have all seen it – siblings who no longer speak because of disputes over who gets the good china, who gets the jewelry, who gets the car, and so on. These items tend not to have the greatest monetary value in an estate, but they may have the highest emotional or sentimental value to your family. If you don't think ahead about who should get what and why, it can result in unintended and unpleasant family conflict.

To help prevent this, make an itemized list of your personal property and include a picture of the item, especially for items you believe may cause family conflict. Name the person who should receive each item, and most importantly, why you made that decision. Try and make the "why" personal and heartfelt so family members can understand your thought process. For example:

What: Engagement ring

Who: My daughter, Jane Smith

Why: I want my daughter to have my engagement ring because when she was a young girl she loved to put my ring on and tell me stories about who she would marry. It always brought me such joy to have these conversations and hear how her spouse criteria changed as she matured.

For property that likely won't cause family conflict, you might suggest that your heirs divide the property however they want, or that they should not feel compelled to keep your personal belongings and instead be open to donating the belongings or having an estate sale.

Let your estate planning attorneys know you've created such a list and have them ensure it does not conflict with any clauses in your estate planning documents. Furthermore, as this is not considered a legal document, it may not be legally binding, so consult with your estate planning professionals.

Share family history, values, and wishes

This section of the letter is extremely personal. It is your feelings, beliefs, values, and memories you want to leave with your family. Some people choose to write this section, others create a video or some do a combination of both. Be as creative as you desire.

Some prompts you may want to consider include:

- Do I have a final expression of love and gratitude that I want to make to family members?
- What key learnings and life experiences would I like to share with my family?
- Do I have specific hopes for my family members in the future?
- What reflections and musings on values, wisdom, and recollections do I want to share?
- What family recipes or folklore do I want to pass on?
- Are there specific photographs or news clippings that should be included in the letter?
- What decisions have I made in regard to trustee selection, estate distribution, end-of-life care, or other areas that might cause family conflict? Then, consider explaining your reasoning.

Keep in mind that developing and crafting this section may take time, introspection, emotional energy, and several drafts. A best practice is to write or record an initial draft, let it sit for a bit, then re-read/re-watch, and edit and enhance as needed. This tends to be an iterative process. It may never feel perfect in your mind, but whatever you choose to share will most likely be an invaluable gift to your family.

You may have gone through a similar practice if you’ve created and documented a [family wealth mission statement](#). If so, include it in your letter to your family and add any other thoughts, contemplations, memories, experiences, information, and considerations you would like to pass on.

Final steps

Once the letter is complete, either print it and store it in a binder or folder, or create a folder on your computer with the letter and related spreadsheets, scanned

material, etc. No matter how you choose to save and organize this information, some best practices include:

- Review the letter annually and update it as needed.
- Decide which family members and personal advisors should be made aware of and/or receive copies of letter.
- Communicate your intentions; include what the letter entails and why you wrote and organized this information.
- Ensure that it is easy to locate and access. For example, if you store the letter in a safe deposit box or on your computer, are keys or passwords needed?

If these conversations will be difficult for you, or you believe it may cause family strife, you may want to consider working with a professional advisor to help lead and manage the conversation.

Bottom line

The “I love you letter” to your family is a vital planning tool that enhances your formal estate planning documents. Writing the letter can provoke uncomfortable feelings about our own mortality and demise. However, if you reposition your thinking to one of providing your family a generous and thoughtful gift of a legacy of clarity, calm, and control, it can be an empowering exercise.

Keep in mind that the family letter is only useful if your family is aware of it, understands its contents, and knows where to find it or access it.

As the saying goes, expect the unexpected – so start your letter as soon as possible.

Susan Hirshman, CFA®, CFP®

As Director of Wealth Management for Schwab Wealth Advisory and the Schwab Center for Financial Research, Susan serves as a wealth management strategist and thought leader to help activate portfolio and wealth management plans and strategies with clients. She previously served with Schwab and other wealth management firms as an advisor to high-net worth and ultra high-net worth investors.

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