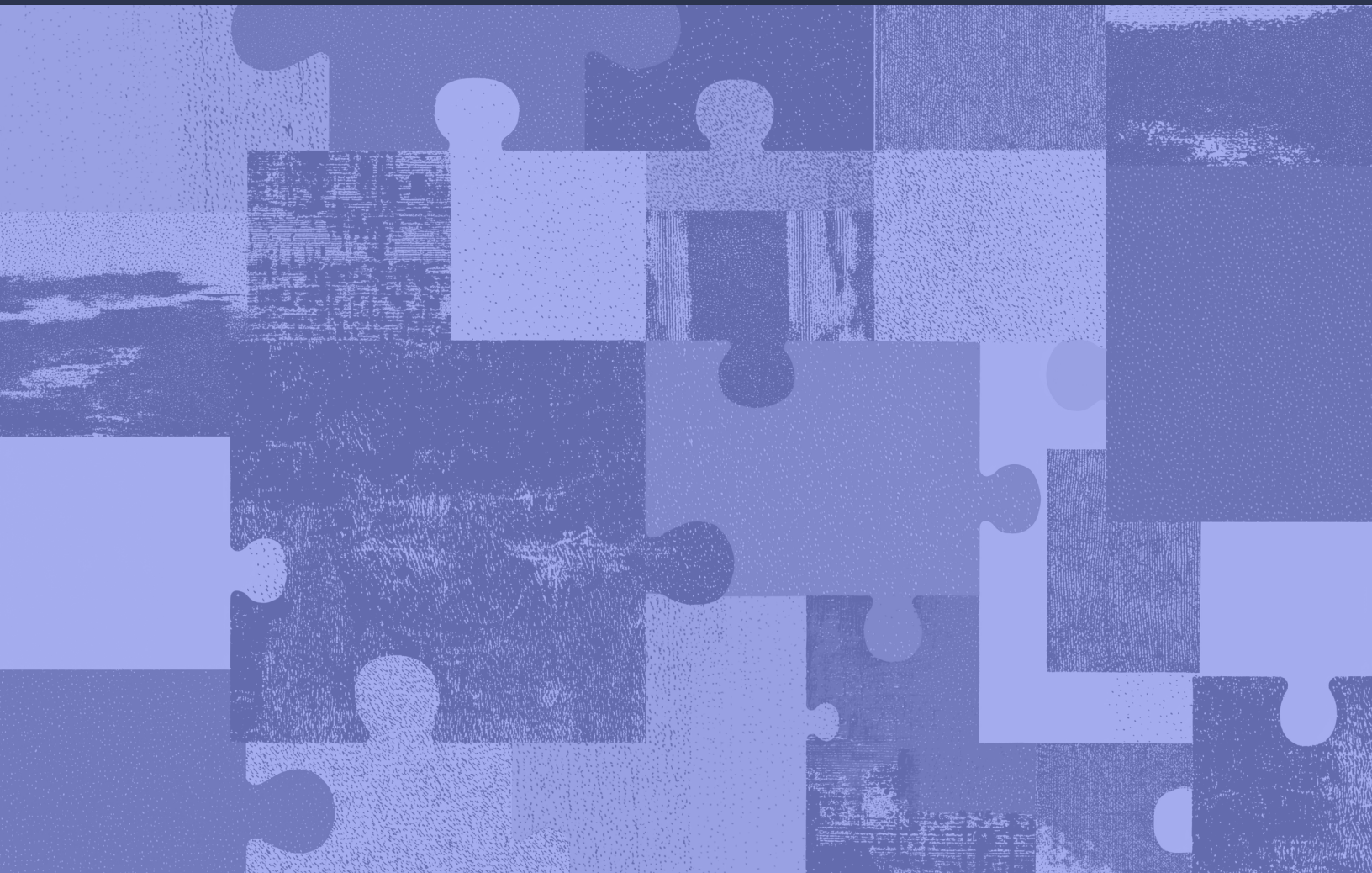


The Missing Piece: Why Advisors Who Skip Estate Planning are Failing Their Clients

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Contents

- 1 Introduction: The Estate Planning Gap in Wealth Management
- 2 Overcoming Performance Obsession: Why Returns Aren't Everything
- 3 Why Estate Planning is the Ultimate Value Add
- 4 Why Advisors Neglect Estate Planning
- 5 Reactive Attorneys vs. Proactive Advisors
- 6 Fiduciary Duty: Serving the Whole Client
- 7 Integrating Estate Strategy with Client Goals
- 8 Overcoming Traditional Estate Planning Hurdles with Modern Solutions
- 9 How Estate Planning Strengthens Your Practice
- 10 Case study: How Wealthstone Private Wealth Management Closes the Estate Planning Gap with Vanilla
- 11 Putting the Missing Piece into Place

1 Introduction: The Estate Planning Gap in Wealth Management

Most financial advisors pride themselves on providing comprehensive wealth management. They manage investments, plan for retirement and education needs, and nurture client relationships. Many even offer tax planning services.

But they're often missing a critical piece: effective estate planning.



93% of people want estate planning services from their financial advisor...

....but only 22% are actually getting that advice

Source: Spectrem Group

When advisors laser focus on portfolio performance and near-term financial goals, they overlook the profound impact that proper estate planning has on a client's wealth and legacy. **This gap undermines the promise of truly comprehensive advice.**

For high-net-worth families especially, estate planning represents the pinnacle of long-term wealth preservation, a foundational element of comprehensive financial planning services.

In this guide, we take a closer look at how advisors can use integrated estate planning to fulfill their promises of putting clients first while securing their own professional legacy. We'll examine how focusing on investment performance alone can shortchange clients (even if you're meeting other planning targets), why proactive planning trumps reactive legal approaches, and how new tools like Vanilla can empower advisors to seamlessly make estate planning part of their value proposition alongside traditional goal-based strategies.

2 Overcoming Performance Obsession: Why Returns Aren't Everything

Decades of industry emphasis on performance returns have taught advisors that beating the market is the holy grail of wealth management. And investment performance certainly matters; clients do need growth and income to reach their goals.

But is chasing market alpha truly where advisors make the greatest impact? Mounting evidence (and plenty of bruised portfolios) suggests the answer is no.

In fact, an excessive focus on picking stocks and timing the market can distract from far more potent drivers of client wealth and well-being. **Most investors, over the long run, are best served by diversified, low-cost strategies.** Study after study shows that even top professional managers struggle to consistently

outpace index funds once fees and taxes are considered. A portfolio heavy on active bets might win in a short spurt, only to give back gains later.

Meanwhile, the real threats and opportunities for a family's wealth often lie outside the market: in taxes, in wealth transfer strategies, in how assets are structured and passed on. Every hour spent trying to wring out another 0.5% of return is an hour not spent discussing how to shave a 40% tax bill on the family estate or ensure a secure future for the client's children. Every bit of energy poured into chasing "alpha" is energy diverted from planning that could deliver far more certain and lasting value.

Across four Morningstar research studies exploring what clients value about their advisors, only one indicated “maximizing returns” as a top value add.

Source: <https://www.morningstar.com/financial-advisors/why-do-clients-think-advisors-are-valuable>

3 Why Estate Planning is the Ultimate Value Add

If elusive investment alpha is an unreliable hero, estate planning is the quiet champion waiting in the wings. Proper estate and tax planning can produce an immediate, risk-free “return” for clients that dwarfs what most advisors could ever achieve through market moves.

How is that possible? It boils down to the math of transfer taxes and smart planning.

Let’s consider a simple illustration: A wealthy family with a \$100 million estate.

Chasing Extra Investment Return

Aiming for an extra 1% investment return (e.g. striving for 8% instead of a baseline 7%) might yield about \$1 million in additional pre-tax earnings in a year. Even doubling the market return to 14% would produce roughly \$7 million in “alpha.” This sounds impressive, but it’s far from guaranteed, and achieving it would likely require taking on substantial risk or fees.

Implementing a Savvy Estate Plan

What if instead, the advisor helps this family implement a smart estate planning strategy to minimize estate and generation-skipping transfer taxes? At current tax rates, that could easily save \$40 million or more in taxes when wealth eventually passes to the next generation. That’s like a 40% immediate gain achieved without betting on market luck and with no additional risk to the portfolio.

In this scenario, estate planning delivers value on the order of tens of millions, while aggressive investing might add a few million at best (and could just as easily backfire).

There is no better way to boost a family’s total balance sheet than by maximizing the wealth that stays in the family instead of being siphoned off in taxes. Every dollar saved in tax is a dollar retained by the people you serve, which can now go toward their most cherished goals. The saying “a dollar saved is a dollar earned” is a simple but powerful way to explain the value of estate planning.

These planning benefits also compound over

generations. A single act of foresight today (for example, setting up trusts or gifting strategies) can place assets outside the reach of estate taxes not just once, but for future generations as well, preserving family wealth for decades to come.

By contrast, even spectacular investment returns can be transient. Markets correct, winners falter, and gains vanish. But estate planning creates permanent advantages. By legally “disinheriting” Uncle Sam and redirecting that 40% windfall to your client’s heirs or favorite causes, you as the advisor deliver something far more tangible than a hopeful promise of beating the S&P 500. You’re helping ensure your clients’ wealth actually accomplishes what it’s intended to do.

4 Why Advisors Neglect Estate Planning

Given the outsized impact, why aren't *all* advisors prioritizing estate planning?

The wealth management industry has traditionally treated estate planning as somebody else's problem, leading advisors to sideline this critical service for several reasons:

- **Comfort zone and expertise:** As mentioned earlier, many advisors come from investment-focused backgrounds and may feel uncomfortable with complex trust and estate strategies, viewing them as the domain of attorneys or specialists. For advisors, it can be easier to stick to discussing stocks, bonds, and basic retirement forecasts than venture into conversations about wills, GRATs, or dynasty trusts.
- **Revenue and incentives:** The business model for most advisory firms rewards gathering assets and charging fees on those assets. Investment management is a lucrative, scalable service; estate planning, on the other hand, can be time-intensive and doesn't directly boost assets under management. For a firm obsessed with quarterly revenue, non-portfolio work can seem like a poor use of an advisor's time.
- **Deferring to attorneys:** Many advisors assume that

a client's lawyer will handle estate planning, stopping at referring clients to an attorney for a will or a trust. But legal documents are only one piece of the puzzle, and attorneys typically draft documents reactively (when asked) rather than proactively driving planning opportunities in concert with the client's overall financial plan.

- **Perception of complexity:** Estate planning can often involve complex laws, evolving regulations, and highly personalized strategies, so it makes sense that advisors lacking training or tools might fear they'll drown in legalese or make a mistake.

These reasons are understandable, but none of them excuse the omission. If advisors truly aim to put clients first, they need to look for ways to overcome these hurdles.

Clients trust their advisors to quarterback all facets of their wealth. Yes, estate planning often involves collaborating with attorneys or tax experts, but the advisor should be the one ensuring it all comes together in the client's best interest.

Moving forward, we'll explore how proactive advisors can bridge this gap, and why doing so is both a fiduciary imperative and a huge opportunity.

5 A Tale of Two Estate Planning Approaches: Reactive Lawyers vs. Proactive Advisors

Traditionally, estate planning has been a one-time event led by attorneys: documents get drafted, assets are retitled, and then the plan often sits in a drawer, out of sight and mind. This reactive, "set-it-and-forget-it" approach can cause plans to fall out of date or miss opportunities.

By contrast, a proactive advisor-led approach treats estate planning as a living process, part of the larger financial picture and continually adjusted to optimize outcomes.

To illustrate the difference, let's consider a simple example of the two approaches:

Reactive approach (Attorney-only, one-and-done): A client's attorney drafts a will or sets up a trust or family partnership, then largely steps back until years later when it's time to settle the estate. There's minimal ongoing monitoring, meaning that if market conditions or asset values change in the interim, the plan might not capitalize on them.

For example, an attorney might establish a special trust (like a GRAT) and then wait until it ends to see

if it worked. If the assets in the trust grew and then fell back to their original value by the end, the plan ends up transferring nothing extra to the next generation. The opportunity to lock in gains along the way was missed because no one was watching in real time.

Proactive approach (Advisor-led, continuous):

A vigilant advisor collaborates with legal experts to help design the estate plan and stays engaged year-round. The advisor monitors asset values, tax law changes, and family circumstances over time, and coordinates adjustments when opportunities arise.

In the same trust example, a proactive advisor would periodically check the trust's performance. If assets shoot up in value, the advisor might work with the attorney to "reset" or restructure the trust, locking in those gains before any downturn. If the assets drop significantly, the advisor might contribute more or extend the timeline to capitalize on a recovery. By actively managing the estate strategy much like an investment portfolio, the advisor's approach could transfer substantial wealth tax-free that a passive, set-and-forget approach would have lost.

The result? Instead of \$0 reaching the heirs, perhaps an extra \$2–\$3 million moves to the next generation

simply because the advisor paid attention and took action.

This example underscores a fundamental point: the legal profession is not set up to proactively manage an estate plan over time. But advisors are.

Attorneys play a crucial role in drafting documents and providing legal advice, but they typically won't call the client every quarter to see if the estate plan needs to be adjusted. Advisors, however, meet with clients regularly and review their financial picture holistically. And when they step into the role of coordinator, they're uniquely positioned to ensure the estate plan remains optimized and up-to-date, rather than becoming a stale paper exercise pulled out only at death or during crises.

For families of significant wealth, these proactive maneuvers can result in millions more being preserved for heirs or charities. And just as importantly, clients gain peace of mind knowing someone is continually watching over this aspect of their wealth. Estate planning shifts from a static transaction into an ongoing, value-added service. Advisors who adopt this approach position themselves as true multi-generational stewards rather than mere investment managers.

6 Fiduciary Duty: Serving the Whole Client, Not Just the Portfolio

Every advisor who acts as a fiduciary, whether by legal mandate or ethical choice, understands the gravity of that role. Being a fiduciary means putting the client's best interests above all else and caring for the client's entire financial well-being, not just the pieces that are convenient or immediately profitable for the advisor.

In this light, omitting estate planning from your services becomes a failure to uphold a core duty to your client. Imagine promising a client, "I'm here to secure your financial future," without including estate planning strategies that could secure their children's and grandchildren's futures.

Clients often don't know what they don't know. They

may not ask about generation-skipping taxes, trust reformation, or how their IRA will pass to an heir; Instead, they rely on their advisor to bring these issues to the table proactively. True fiduciaries don't wait for the client to raise a hand and inquire about estate planning; they integrate it into the planning process from day one.

Estate planning also plays a critical role in risk management. Large tax liabilities, illiquid estates, or poorly structured inheritances are risks to the client's financial plan every bit as real as a market downturn. If an advisor diligently crafts an investment policy but ignores a looming 40% estate tax exposure or an outdated beneficiary designation, can they really claim to be managing risks in the client's best interest?

Holistic advice means addressing all material risks and opportunities. Estate planning is part and parcel of that holistic view.

Finally, incorporating estate planning strengthens the advisor-client relationship. When you discuss a client's legacy, family dynamics, charitable wishes, and the eventual transfer of assets, you enter a deeply trusted role. You're not just the person who picks investments; you're the counselor helping ensure their life's work benefits the people and causes they care about.

This level of trust and involvement is the cornerstone of a lasting advisory relationship, and that trust is earned by stepping up to discuss sensitive but vital topics like mortality and legacy.

Advisors who shy away from those conversations may maintain a surface-level rapport, but those who embrace them become indispensable to the family. In short, if you call yourself a fiduciary or a truly comprehensive wealth advisor, estate planning is an inherent part of your responsibility.

7 Integrating Estate Strategy with Client Goals

Estate planning turns the claim of [holistic financial planning](#) from promise to reality. Continuous, big-picture oversight requires integrating the estate plan with the rest of the client's financial plan and life goals.

For example, if a client's investment strategy is generating substantial growth, a holistic advisor will ask: Does this growth create a future estate tax exposure that we should start planning for now (perhaps through gifting or trust strategies)?

If a client is about to sell a business, a proactive approach requires planning before the sale to minimize estate and income taxes rather than

scrambling after the windfall. Advisors who view the client's wealth picture as an interconnected whole can anticipate how one area (investments, business decisions, retirement needs, education funding) impacts another (estate outcomes, tax liabilities, legacy goals).

This kind of continuous estate oversight protects clients while elevating the advisor's role from money manager to wealth steward. Instead of scrambling to fix an outdated estate plan when a client suddenly falls ill or when tax laws change at year-end, you've been preparing all along.

8 The Vanilla Advantage: Overcoming Traditional Estate Planning Hurdles with Modern Solutions

Earlier, we explored several reasons advisors avoid estate planning despite its clear benefits, both for their clients and for practice growth. Historically, estate planning has been intimidating and cumbersome for advisors, underscored by the very real risk of unintentionally veering into [Unauthorized Practice of Law \(UPL\)](#) territory.

But those traditional roadblocks no longer need to be barriers to entry for advisors. Technology, backed by the guidance of human expertise, has made the estate planning process accessible, even seamless. [A platform like Vanilla](#), designed to help advisors deliver es-

tate planning insight and coordination, can help firms:

→ **Offer visual clarity:** Modern estate planning software can generate [easy-to-understand diagrams](#) and summaries of a client's estate plan. Instead of flipping through dense legal documents, advisors and clients can actually see the flow of assets, ownership structures, and beneficiary designations in a visual format. This serves dual purposes, helping to identify gaps and opportunities (e.g., "It looks like we never included your new grandchild as a beneficiary of that trust!") while making estate conversations far more accessible to clients.

- **Ensure up-to-date analysis:** A good platform stays current with tax laws and calculations. For example, if the estate tax exemption is scheduled to drop in a few years, the software can model the impact on the client's future estate. This allows the advisor to be proactive: "In 2026, your estate tax exposure could increase by \$X – let's plan for that now." The tool does the heavy lifting on complex math and legal rules, so advisors can focus on strategy and client communication.
 - **Enable streamlined collaboration:** Tools like Vanilla facilitate better collaboration between advisor, attorney, and other professionals. Everyone can literally be on the same page regarding the current plan. Advisors can use the platform's outputs to discuss potential changes with the attorney in a more informed way, ensuring that legal documents and financial plans stay aligned. In essence, technology bridges the gap between the financial and legal worlds, with the advisor as the central conductor keeping everyone in sync.
 - **Scale estate planning:** By standardizing and simplifying the estate planning review process, advisors can confidently [extend this service to more clients](#), not just the ultra-wealthy or those who happen to ask about it. What used to be a daunting, manual exercise can become a smooth part of the planning workflow so no client who needs estate guidance falls through the cracks due to lack of time or resources. Even if you're not an attorney drafting documents, you can efficiently spot issues and opportunities, then bring in the right legal experts to execute the changes.
- Incorporating estate planning doesn't require you to become a legal expert overnight or reinvent your practice from scratch.** With the right support tools, like a user-friendly estate planning platform, and perhaps some [targeted training](#), advisors can relatively easily integrate this "missing piece" into their client service model. As a result, clients receive a more complete, future-proof financial plan, and advisors get to differentiate themselves by offering a truly comprehensive suite of services.

9 How Estate Planning Strengthens Your Practice

Incorporating estate planning can fortify and grow your firm in ways that traditional investment management alone cannot:

- **Stronger client retention:** Incorporating estate planning deepens your relationship with clients and their families, which translates to greater loyalty across generations. If you've been the guiding hand in the family's estate planning all along, it's far more likely that children or other heirs will keep the money with your firm when the time comes, preserving and often growing your AUM instead of watching assets walk out the door.
- **More referrals and new business:** Offering a truly holistic wealth management experience, with estate strategy as a core pillar, sets you apart in a crowded market. High-net-worth clients have plenty of advisors vying for their portfolios. When you can confidently say, "I will ensure your life's work benefits you and your loved ones to the fullest extent possible," you're delivering a compelling value proposition that few others can. Satisfied clients will likely tell friends and colleagues how you helped save their family millions in taxes or navigated a complex inheritance issue. Your expertise in this area becomes word-of-mouth capital that draws in new prospects who want the same level of care.
- **Practice differentiation:** Many advisors offer a similar menu of investment management and basic financial planning. Integrating estate planning into your services immediately differentiates your practice, elevating the conversation with prospects beyond "I can manage your portfolio and aim for X% returns." Instead, you can demonstrate a higher level of comprehensive care: multigenerational planning, tax-savvy wealth transfer, legacy building. This not only attracts discerning clients, it also can strengthen partnerships with estate attorneys and CPAs who see you as a more sophisticated advisor.
- **Insulation against fee compression:** Adding this missing piece effectively future-proofs your ca-

reer. The financial industry is rapidly evolving, with automated investing platforms and fee compression threatening to commoditize basic investment management. Advisors who remain purely performance-focused may wake up to find themselves replaced by algorithms or outpaced by cheaper, cookie-cutter competitors. But the nuanced, human-centric work of estate and legacy planning is much harder for a robo-advisor to replicate or a low-cost firm to commoditize. It relies on insight, empathy, and trusted relationships built over years. Anchoring your value in these irreplaceable areas makes your practice more resilient and enduring.

In essence, helping clients secure their legacy also secures your legacy as an advisor, ensuring that your business thrives no matter what changes the markets or industry throw your way. As a bonus, there's also a personal fulfillment factor in knowing you're setting your clients up for success both near-term and for generations to come. Estate planning is work that cements your reputation as an advisor who genuinely puts clients first.

Read: [How Advisors Can Initiate Estate Planning Conversations—And Why They Should](#)

10 Case study: How Wealthstone Private Wealth Management Closes the Estate Planning Gap with Vanilla

Zak Gardezy, CFP®, founder of Wealthstone Private Wealth Management, recognized early on that traditional financial planning often overlooks a critical component: estate planning. To address this gap, he [integrated Vanilla's estate advisory platform into his practice](#), offering high-net-worth clients a more comprehensive and personalized wealth management experience.

Key outcomes:

- **Enhanced client relationships:** By utilizing Vanilla's visual tools during estate reviews, Gardezy gains deeper insights into clients' values and family dynamics. This approach not only strengthens existing relationships but also facilitates connections with the next generation, ensuring continuity and trust across family lines.
- **Identification of hidden risks:** Estate plan reviews have uncovered significant oversights, such as unanticipated state-level estate taxes and outdated trustee designations. For instance, Gardezy identified that a client's property in a state with estate tax laws could lead to substantial tax liabilities, prompting timely revisions to their estate plan.

- **Streamlined document creation:** Vanilla's Document Builder enables the creation and updating of estate planning documents efficiently, reducing reliance on external legal services for straightforward cases and expediting the planning process.
- **Business growth and differentiation:** Offering integrated estate planning services has distinguished Wealthstone in a competitive market, attracting new clients and reinforcing the firm's commitment to holistic wealth management.

Gardezy's approach exemplifies how incorporating estate planning into financial advisory services not only safeguards clients' legacies but also fosters enduring relationships and business growth. Advisors who neglect this facet risk leaving clients vulnerable to unforeseen challenges and may miss opportunities to provide comprehensive, value-added services.



Zak Gardezy, CFP®
Founder
Wealthstone Private
Wealth Management

11 Putting the Missing Piece in Place

Take a moment to reflect on your own practice.

Are you asking every client about their estate plan?
Are you proactively collaborating with estate attorneys
and using modern tools to keep plans up-to-date?
If not, what steps can you take in the next week, the
next month, the next quarter to change that?

Now is the moment to act. Don't wait for a client's
family to face an avoidable tax bill or a botched
inheritance to realize something was missing.
Even small moves, like scheduling an estate-planning
checkup meeting, or exploring a demo of estate
planning software, can set you on the right path.

Don't wait for a client's family to face an avoidable tax
bill or a botched inheritance to realize something was

missing. Embrace your role as the architect of not just
financial portfolios, but family legacies. Bring up the
“uncomfortable” topics; ask the hard questions about
what happens when life changes; educate your clients
on the immense benefits at stake.

This is how you cement your position as a trusted
advisor in the fullest sense. Adding estate planning
to your toolkit enables you to deliver holistic value
that far exceeds a quarterly statement's gains.
You safeguard futures, strengthen families, and
demonstrate that your commitment to clients isn't
just for this quarter or the next, but for generations.

Step into the role of the estate-conscious advisor.
Your clients deserve it, and your legacy depends on it.

