CFP BOARD REPORT

News From Financial Planning's Professional Regulatory Organization

PROFILE: PROSPERITY LIFE PLANNING

DENVER, January 5, 2007 - When Karen Greenberg's son Ricky was diagnosed with autism back in 1990, she had two reactions. As a mother, she was determined to provide Ricky with the best possible care. As a CERTIFIED FINANCIAL PLANNER™ professional, she was determined to provide him with a lifetime of financial support as well, even after she herself had passed away. "In all my years of training and practice, I had never encountered this situation before," Greenberg recalls. "I realized I had no idea how to secure the future for my son, who would need financial help for the rest of his life."

Greenberg first turned for advice to an attorney. He suggested she disinherit Ricky and leave everything to her daughter, who would then have to assume responsibility for her brother's care. That didn't feel right to Greenberg; she didn't want her son's care to be her daughter's burden. So she immersed herself in the local law library to find a solution. She emerged with a comprehensive plan to establish a special needs trust, funded by a life insurance policy and investments, that would provide for Ricky while preserving his eligibility for government benefits like Medicaid and Supplemental Security Income (SSI).

Then Greenberg did something else that combined her experience as a mother and a CERTIFIED FINANCIAL PLANNER™ professional: She set up Prosperity Life Planning, a non-profit organization that helps families of disabled children and adults secure their loved ones' financial futures. Now, with a grant from the CFP Board, Greenberg is expanding Prosperity Life Planning's activities in South Florida.

The disabilities that fall into the category of special needs are diverse, ranging from autism and Down Syndrome to mental illnesses and developmental delays. Yet special needs planning is still unfamiliar territory to many financial planners – and to many parents as well. In a survey carried out by MetDESK®, the Division of Estate Planning for Special Kids at financial services provider MetLife, 73% of respondents said they had not yet begun setting aside money for their special needs children.

Karen Greenberg, CFP® of Prosperity Life Planning
Photograph by Taylor Jones/ Palm Beach Post

Constance Stone, president of Stepping Stone Financial Inc. in Chagrin Falls, Ohio, discovered special needs planning only after her brother was hit by a truck and left disabled. In an article in the October 2006 issue of the *Journal of Financial Planning*, she cites some sobering statistics. According to the 2003 U.S. Census, over 77 million Americans (more than 27% of the population) were considered disabled in some form. And according to a report by the Special Needs Alliance, a national network of lawyers specialized in disability and public benefits law, almost 27% of the adult population has provided care for a chronically ill, disabled or aged family member or friend in the past year. Still, Stone writes in her article *In the Blink of an Eye: Special Needs Planning*, "A search of the archives of professional financial planning journals and continuing education courses will net surprisingly little on the topic of special needs planning … We can guide our clients through the traditional financial planning process to incorporate and address special needs."

Together with her husband Jaret Vogel, a financial services professional, Greenberg provides just this kind of guidance. At Prosperity Life Planning (PLP) workshops across South Florida, the couple takes families with special needs children through the entire financial planning process—writing a letter of intent that describes the disabled child's personality, preferences, and the parents' goals for their child; establishing a special needs trust; choosing successor trustees and guardians for the child; and advising on the tax implications and administration of the trust. Greenberg and Vogel also introduce families to local attorneys specialized in working with special needs clients.

Following the workshop, Greenberg and Vogel meet with interested families to review their personal situations and create individualized plans of action. "I often ask parents, 'If you were to have died yesterday, what would you want for your family today?'" Vogel says. "Most families are hard-pressed. Caring for a disabled child costs more time and more money, so there is tremendous pressure on the family. It's hard to think 30 or 40 years ahead when you're struggling to cope and pay the bills right now. We're there to reassure people that this is not a black hole. We can help guide them through the process." Prosperity Life Planning is already putting the CFP Board grant to work, using grant funds to help connect a small number of low- and moderate-income families with legal professionals who can help them take care of the special needs trusts and other legal issues that can be vital for special needs planning.

One person who has benefited is a woman we'll call "Debbie," a partially disabled single mom with a 12-year-old autistic son. Debbie attended a PLP workshop in October 2005, and last summer received a small medical malpractice settlement in connection with her son's burst appendix. When her attorney suggested the settlement be placed in an educational IRA for her son, Debbie remembered the workshop and knew that such an arrangement could jeopardize her son's eligibility for government benefits. So Debbie called Karen Greenberg, who has created connections with a group of elder law attorneys, specialized in disability law, who have agreed to offer steeply discounted rates to a limited number of qualified families working with PLP. Greenberg set Debbie up with an elder law attorney, and the attorney provided Debbie's son with a trust to receive his settlement money and a trust to be named as beneficiary of Debbie's life insurance policy. The attorney provided a will for Debbie as well as power of attorney and health care directives for her son's affairs. The cost for the legal services? Eight hundred dollars for what amounted to $5,000 in legal services. For Debbie, the peace of mind is priceless.

Greenberg and Vogel are now working to reach signed agreements with 25 attorneys, each willing to offer different reduced rate packages for services often needed by special needs families. Vogel states, "Our goal for 2007 is to secure 100 signed agreements, and then raise $100,000 through the non-profit to help 100 new families." PLP has also initiated an effort to encourage legislation for a "Prosperity Tax Credit" that would provide families with a special needs member a tax credit that could be used to create a guardianship or third party special needs trust. More about the tax credit initiative is available on PLP's Web site.

"Most parents are not thinking about the long-term financial futures of their disabled children," Greenberg says. "And the ones that do think about it are often so afraid of making a mistake that they end up doing nothing." Greenberg's expertise and advocacy have taken the fear out of special needs planning, helping families with disabled children take action to secure their loved ones' financial futures. "Parents also report they're sleeping better at night."

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