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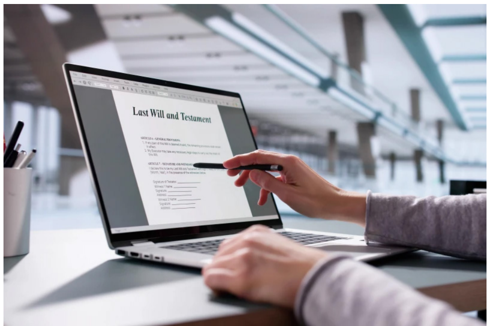
ADVISORS CLAMOR FOR ESTATE PLANNING TOOLS AS ATTORNEYS WAVE RED FLAGS

Advisors are increasingly adopting estate planning tools, but some attorneys and experts urge caution.



By: Rob Burgess - April 30, 2025

Adoption of estate planning tools by financial advisors has steadily grown over the past few years as clients continue to expect more offerings and even family office-style services.

And while the use of these applications has grown exponentially, some advisors and attorneys say caution is warranted.

Market penetration is growing swiftly

Estate planning is becoming an increasingly important part of general service offerings for financial advisors. Last year's Technology Tools for Today (T3)/Inside Information Advisor Software Survey included categories for estate and tax planning for the first time. This year's survey showed estate planning tools had reached 43.28% market penetration, up from 15.84% only two years ago.

Behind that trend, said William Trout, director of securities and investments at technology data firm Datos Insights, are several factors: demographic shifts with aging baby boomers creating the largest wealth transfer in history; growing client demand for comprehensive financial planning beyond investment management; estate planning becoming more accessible to more clients, not just the ultra-wealthy, thanks to technology; and financial advisors seeking ways to add value and differentiate their services.

"Estate planning is no longer just something you revisit every 10 years with an attorney," said Jordan Gilberti, founder of Sage Wealth Group in New York City. "It is becoming a core, ongoing part of holistic financial planning. Advisors are being asked to connect the dots between investments, taxes and legacy planning in a way that is both accessible and actionable."

Several firms on the rise

In only its first year on the T3 survey — and with an average satisfaction rating of 8.24 out of 10 — one of the fast-growing entrants in this category in 2025 was Wealth.com. This month, Wealth.com announced that Charles Schwab had made a minority investment in it, following on the heels of partnerships with Cetera and eMoney. Last September, Wealth.com received a $30 million Series A investment from GV (formerly Google Ventures).

"Major financial institutions recognize the importance of scalable estate planning solutions," said Trout.

Wealth.com CEO and co-founder Rafael Loureiro is optimistic about the future of his firm, which now works on a per-seat pricing basis with over 1,000 firms representing more than $15 trillion in assets, according to the company.

"Wealth.com's rise is a strong indicator that digital estate planning is rapidly moving from a peripheral concern to a core, technologically enabled component of modern wealth management," said Loureiro.

One of Wealth.com's main competitors is Vanilla, which more than doubled its market share between the 2024 and 2025 T3 surveys. It too is growing; earlier this month, Vanilla announced a partnership with Mariner, giving access to over 700 advisors managing $560 billion in assets.

Vanilla has supported the modeling of over 16,000 estates, reviewed more than 40,000 documents and costs $3,500 to $7,500 per user, depending on the level of access and platform features needed, the company stated.

"Estate planning is one of the most reliable return on investment drivers in an advisor's business," said Steve Lockshin, co-founder of Vanilla. "We see it every day. It opens the door to new relationships, increases wallet share and drives retention. Clients expect this kind of guidance, and they should. Without it, they'll either leave or stay dissatisfied. Advisors who put estate planning at the forefront are going to win."

Trout said Vanilla uses AI to scale estate advisory services, with tools that help onboard clients, summarize documents and build plans quickly.

"Vanilla transforms complex estate documents into clear, interactive visualizations to help clients understand their plans," he said.

Vanilla also offers tools to help advisors calculate potential federal and state estate tax implications of clients' current estates and is used by many attorneys to streamline client onboarding and demonstrate how complex estate plans work, said Trout. However, Vanilla has less focus on document generation than Wealth.com, which positions itself as an end-to-end solution. This means it may require more advisor involvement in the process, he said.

Another competitor in this space is Trust & Will, which Trout said has a "simple, user-friendly interface" but fewer advisor-specific features because it was originally business-to-consumer focused, with business-to-business offerings added later.

Estate planning tools are gaining traction in part because they make that conversation easier for both clients and advisors, said Gilberti.

"Trust & Will is simple and user friendly, great for younger clients or those with more straightforward needs," he said. "Vanilla goes deep on tax efficiency and analytics, making it appealing to high net worth households and estate planning specialists. The challenge with any platform is making sure it fits within your existing workflow and still leaves room for the nuanced conversations only a human advisor can provide."

Estate planning isn't so simple: Advisors and attorneys urge caution

Not everyone is on board with estate planning tools for advisors. Patrick Simasko, elder law attorney and financial advisor at Simasko Law in Mount Clemens, Michigan, said he attended the 2024 Schwab IMPACT conference last November, where he spoke with one of the vendors that was promoting the advisor-driven estate planning service.

"Why hire an attorney when they can offer you AI of the tools on their platform for free?" he said.

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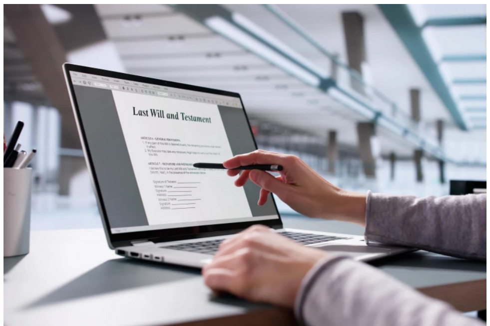

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"While it sounds great, there are huge risks involved."

Simasko said it's not only the potential "unauthorized practice of law" by the advisor when they are helping clients create their estate plans, but also, "it's knowing how they work when unexpected things happen."

"Even though they are easy to create, trusts are very complicated, as are beneficiary designations," he said. "When people and beneficiaries die out of order, have second marriages, add stepchildren to their family or have children with special needs or drug problems, all need to be addressed and then implemented by using specific plans and documents."

The estate planning documents are tools in a toolbox, said Simasko, "and if you do not know how to use them, terrible things can happen."

"To get around the unauthorized practice of law, the advisor has to let the clients answer their questions — and it can be super easy to create, but devastating consequences to your loved ones if done wrong," he said.

The problem, as some experts see it, is that many people think they have a "simple" estate. The reality is that most people have complex estates or family structures and no idea of the nightmare that a do-it-yourself estate plan may create for their heirs.

"The ones who benefit from these DIY plans are the litigation attorneys who handle cleaning up the mess left by most of these," said Evan H. Farr, principal attorney at Farr Law Firm in Fairfax, Virginia, who specializes in estate planning and elder law. "If proper documents are not drafted by an experienced estate planning attorney, then it is much more likely that these documents will contain ambiguities, and the DIYer will not be around to clarify what was meant, and it then becomes a family fight. Having properly drafted documents done for you by an experienced attorney can keep a family from splitting apart down the road."

Jonathan Barlow, managing partner and an estate and trust litigation attorney for Clear Counsel Law Group in Henderson, Nevada, said he often handles disputes that arise after someone dies, particularly involving software-generated wills and trusts. These tools frequently fail to capture the decedent's true intentions, and these ambiguities create serious family conflicts, he said.

"For example, in one case I handled recently, a mother had used a fill-in-the-blank will program," he said. "She wrote, 'I give all my possessions to my daughter.' This seemingly simple statement created significant problems. What does 'possessions' mean? This isn't standard legal terminology for describing property. Did she mean her house, car and personal effects? Or just personal items like clothing and jewelry? Her daughter argued it meant everything, while her two sons argued it couldn't include the house because their mother would never intentionally disinherit them."

Some advisors, too, express concerns and counsel caution. Robert S. Jeter II, vice president and financial advisor with InFocus Financial Advisors in Salisbury, Maryland, said he hasn't used estate planning tools. Instead, he employs an attorney with expertise in crafting a legal template to a particular set of circumstances.

"Outside of general advice on the mechanics, I find intervening in that process to be the unauthorized practice of law, or darn close," he said.

Jon J. Robertson, president, director of financial planning and partner at Abacus Planning Group in Columbia, South Carolina, said in one case, a client had a new will drawn up with DIY tools without realizing that the bulk of his assets were held inside a revocable trust.

"It was a bad experience for all involved," he said. "I have also seen documents that were incorrectly executed, but fortunately they engaged an attorney before the documents were ever necessary."

Advisors are there to help

In response to these issues, Loureiro said the concerns were part of a "fear-mongering" narrative "that anything short of a traditional law firm is dangerous." He said this is why many Americans don't have any kind of estate plan at all.

"Dying without a plan is what has caused the greatest financial loss to families, ignited countless inheritance disputes and led advisors to lose relationships and AUM across generations," he said. "Advisors should help their clients think through their legacy planning goals and objectives. The estate plan, after all, is the bookend to any sound financial plan. Without it, the financial plan is incomplete, plain and simple. Helping a client think through their family mission statement, their charitable giving strategy and the intended disposition of their assets is directly in the wheelhouse of what an advisor should be doing."

Regardless of whether they incorporate estate planning tools into their practices, financial advisors can add tremendous value by helping clients clarify estate planning goals and risks prior to engaging an attorney.

"The attorney knows more about estate planning than we do, but we frequently have information about the client, family system or financial situation that helps create the optimal plan for the client's situation," said Robertson. "We can help monitor the plan because we frequently meet with the client more frequently than the attorney."