

Estates & Trusts



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Why The Wealthy Barber won't act as executor for even his closest friends

By David Chilton, author of *The Wealthy Barber*
Special to RBC Estate & Trust Services

This article is part of a series created in collaboration between RBC Wealth Management Estate & Trust Services and David Chilton, author of best-selling personal finance guides The Wealthy Barber and The Wealthy Barber Returns, and former dragon on CBC's Dragons' Den.

I love my friends. They really are a great bunch.

I'm lucky to have them and there really isn't anything I wouldn't do for them.

Well, that's not quite true.

There are two things that I won't do, even when begged.

I won't help a friend move—too old to say yes to that.

And I won't be a friend's executor—too smart to say yes to that.

Being asked to be an executor is an honour. But actually being the executor is a pain.

That is especially true nowadays. We have so many more wealthy people. And often with that wealth comes complex estates.

Holding companies.

Family trusts.

Illiquid private-company ownership.

Blended families.

Foundations.

Foreign real estate.

The family cottage.

Uncle Clyde.

The four-year-old CRA tax dispute.

Uncle Clyde's third wife.

The Fabergé Egg collection.

Trust me, dealing with all this is a job. A stressful job. A thankless job. A time-consuming job.

Did I mention the executor can be held personally liable if a mistake is made?

Just this weekend I had three different friends tell me about fractured relationships that resulted from disagreements with family members acting as executors.

The more I think about all this, the more helping someone move now actually seems like fun.

You can see why I'm a big believer in wealthy people, especially with widely diversified estates (and most are), naming a corporate executor. That is especially true nowadays. We see so many more seven-figure estates than we used to. And often these estates are much more complex than those of previous generations.

The corporate executor brings an impartial and unemotional perspective to the process. Their experience in dealing with complex tax and valuation issues is invaluable. They are true professionals.

From my perspective, the corporate executor's compensation is an investment in peace of mind and in family harmony.

Plain and simply, I do not want to saddle my kids with the stress and workload of having to serve as my will's executor. Especially when they're in the midst of dealing with the heartbreak of losing the greatest influence of their lives (okay, that's a stretch).

If you would benefit from more advice about the advantages of working with RBC's trust company for corporate executor and trustee services, please contact your RBC advisor, or reach us at 1-855-833-6511.



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