



# TRUSTS & ESTATES



**WEALTH PLANNING > ESTATE PLANNING**

## **The World is Our Oyster**

*Opportunities await future trust and estate professionals.*

Jennifer Smith , Karly Laughlin , Bobbie Larkin | May 21, 2020

The field of trusts and estates (T&E) offers a wide range of exciting and challenging options for young professionals as they plan their future careers. The foundation of T&E law is the protection of assets during a client's lifetime and the distribution of a client's assets after death. As the United States' second largest generation (the Baby Boomers)<sup>1</sup> ages, significant wealth transfer events are on the horizon. Due to the growing need for young talent to meet this demand, we'll explore the landscape of opportunities in T&E from several angles and explain why young professionals could benefit from pursuing a career in this field.

Within this professional area, there are several career paths, including legal, accounting and finance. The authors of this article consist of an attorney, an accountant and a trust professional, so we'll stick to what we know and discuss careers in these particular fields, but that's not to say there aren't significant opportunities in other sectors related to T&E.

## **Legal**

T&E attorneys create comprehensive estate plans for their local, national and international clients to reduce tax liabilities and protect their wealth for future generations. T&E attorneys are extremely valuable to their clients and are confided in during life's most difficult situations. Practicing in this field requires a breadth of experience and specialized knowledge in helping clients navigate unique family and financial situations. Attorneys are trusted with intimate details of their clients' lives and are tasked with meeting their expectations and needs. For this reason, it's not uncommon for T&E attorneys to maintain relationships with their clients over the course of many years.

## **Accounting**

Tax accountants have the privilege of assisting clients with navigating through many phases of life, including estate and trust planning and implementation. Their knowledge of the clients' personal finances allows them to identify tax saving

opportunities. Accountants who focus on T&E will work closely with fiduciaries not only to prepare tax returns but also to help educate them on best practice methods needed to effectively carry out their role, including the tracking of assets and liabilities, as well as classifying income and principal. Accountants must stay abreast of tax law as rules and regulations are constantly changing. There are numerous tax elections available which, if used effectively, could significantly reduce or defer estates' and trusts' overall income tax liabilities. The clientele who can benefit from these strategies can be diverse with varying levels of net worth. T&E accountants even have opportunities to work with executives, celebrities, athletes and other high profile clients. While general accountants are always needed, there's an especially high demand for young and skilled accountants who focus on tax matters related to trusts and estates.

## **Finance**

The finance sector offers an array of job opportunities at banks and trust companies for corporate-minded young professionals. Examples include:

- A portfolio manager invests the assets of the trust. This may include traditional securities like stocks and bonds as well as alternative assets such as real estate, artwork, life insurance, hedge funds or private equity.
- A trust officer administers the trust within the provisions established by the governing instrument. This role could also include estate settlement, trust terminations or other specialty areas.
- A compliance officer focuses on policies and procedures for the organization to ensure that trusts for which the company serves as trustee are properly administered to reduce risk for the organization.
- In trust operations, a young professional learns the mechanics of trust administration such as account maintenance, asset transfers among institutions, fee calculations and trade settlement.

- A financial planner works with clients and their advisors to create a holistic wealth plan.
- A business development officer is responsible for bringing in business, either through additions to existing relationships or from new clients.

## Career Path

What does the path to a career in T&E look like?

**Education.** The path to becoming a professional in T&E varies based on your selected career path. Post-secondary education is necessary, and a degree coupled with certifications or designations will help young talent earn the most valuable opportunities. This is especially the case for those considering a legal profession. To become a T&E attorney, an individual must obtain a bachelor's degree, a law degree and be admitted to the Bar in the state where she chooses to practice. While it's not required, an LL.M. in Taxation is an additional degree many T&E attorneys find useful. An attorney may also pursue several options when it comes to earning a certification or designation that recognizes professionals who meet the requirements of knowledge and experience in this field.

Similarly, those striving to become licensed certified public accountants (CPAs) must earn a bachelor's degree in accounting and pass the CPA exam. Also, some states require applicants to earn credits beyond the bachelor's degree and obtain a certain amount of job experience. Though not required, many opt to earn a Master of Taxation as well as pursue additional certifications or designations.

Those pursuing a financial track also need a bachelor's degree, which is often in business, accounting, economics or a related field. In addition, many obtain a Master of Business Administration (MBA) or industry-specific designations such as a Certified Financial Planner (CFP) or Chartered Financial Analyst. There are also significant opportunities for attorneys and accountants to pursue careers within the finance sector.

All designations or certifications mentioned above require annual continuing education credits to maintain licensure. For an early career start, some universities are now offering minors to undergraduates specifically focused on T&E. For the more seasoned professionals, there's an Accredited Estate Planner designation, which is available across multiple professional disciplines for T&E professionals who meet the education and experience requirements.

**Compensation.** Attorneys seeking careers in T&E must be proactive if they wish to capitalize on opportunities in this field. Over the past few decades, the trend in modern legal practice has been towards specialization. Law students applying for jobs at large firms may have little say in selecting the department they'll join, and once an associate joins a firm in a particular department, it may be problematic to switch to a different one. Consequently, reaching aspiring lawyers early is important so that they understand the excellent opportunities available in this field and can direct their job searches toward firms that include a group specializing in T&E.

While salaries vary by region, the average first year T&E associate earns \$125,000.<sup>2</sup> Over time, a T&E attorney can increase her compensation substantially based on factors including her production (such as dollars earned on client matters that she works on), origination fees (such as dollars earned on clients that she brings to the firm), contribution to the firm (firm administration, pro bono work, associate development, etc.) and the overall performance of the firm. A real need exists for young, talented attorneys to enter this field, and the sky's the limit regarding compensation for those who are motivated and hardworking.

The average starting salary for a young accounting professional is about \$54,000<sup>3</sup> but that could increase to the \$75,000-to-\$105,000<sup>4</sup> range once she becomes a licensed CPA. The compensation for an accountant with a focus on T&E can also increase substantially based on factors similar to those for attorneys. Hurdles to entering this specialty include lack of exposure during postsecondary education or joining a firm with little T&E focus. Fiduciary income taxes can be more complicated as they're hybrid returns incorporating characteristics of pass-through taxation and separate entity level taxation. The additional complexity can command higher fees

for estate and trust income tax returns. New associates can be intimidated by this complexity, but it's important to share how the ultimate rewards can outweigh this challenge. Anyone interested in this career should actively pursue education at universities that include T&E in their curriculum and seek out mentorships to gain additional opportunities.

A financial professional's average starting salary is \$57,000,<sup>5</sup> with a similar boost in salary on receiving her MBA or CFP. As she climbs the corporate ladder and gains expertise in a particular field, her salary can quickly increase. Depending on the organizational compensation structure, commissions from new client referrals can also raise overall compensation.

## **Work-Life Balance**

Having a work-life balance is a goal for most professionals, young and old alike. Given the transactional nature of T&E, an attorney practicing in this field may have a better work-life balance than some other types of attorneys. A T&E attorney may rarely have to appear in court and, when she builds a book of her own clients, will have flexibility to schedule client meetings. Perhaps one of the most rewarding aspects of the practice is the collaborative (rather than adversarial) nature of it. Tax accountants will always face a compressed time period between Jan. 1 and April 15, but a lot more flexibility exists outside this time period. Estates often operate on fiscal (as opposed to calendar) years, which helps spread the work more evenly throughout the year. The end of the year is always hectic for those working in finance too, as they need to assist clients with completing year-end gifts or to execute other planning strategies established by a client's attorney or accountant. There are ebbs and flows as with any industry, but working in the financial sector typically allows for a fairly consistent schedule.

During the current pandemic, it's become even more apparent that the work for these professions can be done remotely. This additional flexibility makes these fields even more attractive.

While there are no shortcuts to success in the legal, accounting or finance sectors, the long hours devoted to learning the ins and outs of the practice will be especially rewarding when it comes to building successful, long-term client relationships. It's a privilege to be able to maintain client relationships throughout the course of a lifetime, and young professionals who are thinking of going into these fields will have the opportunity to make this a reality. Developing multi-generational relationships with clients, which often occurs, is beneficial for both the professional and the client, and the trust that's built over time can lead to new business opportunities or referrals. In fact, most T&E professionals will agree that the best source of business development is a recommendation from an existing client or a trusted advisor. The ability for T&E professionals to form lasting relationships with their clients and their families sets this field apart from so many others.

## **The Future**

Given that there's a huge need for building strong human connections, those who go into T&E are at low risk of experiencing career automation and can depend on the security of their careers. While there are software programs that purport to perform the same tasks as an attorney, accountant or financial advisor, the programs are only as good as the information provided. Individuals with complex assets, families with individuals who have special needs or substance abuse concerns and blended families are just a few of the types of clients who'll be best served by professionals rather than programs.

The T&E field presents an abundance of opportunities, yet diversity in race, ethnicity and gender is one area in which it could improve. This, however, is shifting just as quickly as the rest of the workforce becomes more inclusive. The current lack of diversity in this field means there are more opportunities for those who are underrepresented in the T&E ranks. Diversity produces positive business results. In fact, companies with females in leadership roles are shown to be more profitable than those with all-male teams.<sup>6</sup> Similarly, racial diversity in companies, especially in leadership, has long-term effects on the well-being of an organization.<sup>7</sup> There's a

need for female and minority practitioners and leaders in this field, and more clients are demanding a diverse team.

The next generation of workers will change the T&E field for the better as they gain exposure to the practice earlier in their education and professional careers. With adequate resources and solid mentorship, young professionals considering careers in T&E will be better equipped for success. What does this mean for those of us in the field now? We have a responsibility to those considering these careers, whether in law, accounting or finance. We must provide more learning opportunities for junior members of our teams and dedicate ourselves to serving as mentors. We all deserve to retire one day, but we should do so knowing that we can pass the torch to a well-trained and experienced generation of T&E professionals who'll care for future generations of our clients' families. We hope you're up to the challenge of opening the oyster to find the pearl.

## Endnotes

1. "Resident Population in the United States in 2017, by Generation," Statista, [www.statista.com/statistics/797321/us-population-by-generation/](http://www.statista.com/statistics/797321/us-population-by-generation/) .
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5. "Salary: Financial Advisor in Philadelphia, PA," Glassdoor, [www.glassdoor.com/Salaries/philadelphia-financial-advisor-salary-SRCH\\_IL.0,12\\_IM676\\_KO13,30.htm](http://www.glassdoor.com/Salaries/philadelphia-financial-advisor-salary-SRCH_IL.0,12_IM676_KO13,30.htm) .

6. Yoni Blum, “Companies with More Female Executives Make More Money—Here’s Why,” *CNBC* (March 2, 2018), [www.cnbc.com/2018/03/02/why-companies-with-female-managers-make-more-money.html](http://www.cnbc.com/2018/03/02/why-companies-with-female-managers-make-more-money.html) .

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