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How to Help Clients Transcend Indecision And Move Toward Action

Managing a polarity requires a different approach.

Cathy Carroll | Jul 16, 2024

What do these client questions have in common?

• Should we reveal our estate plan to our children or conceal it?

• Should we keep our estate plan simple or build in complexity?

• Should we sign the documents we have today or wait until the plan achieves 100% of our goals?

In addition to being knotty estate-planning questions to answer, they're also either/or questions that oversimplify dilemmas that require a slightly more complex approach.

A Difference of Opinion

As the Padillas entered Kimberly's well-appointed office, she watched each spouse choose green leather chairs on opposite ends of the mahogany table. *Interesting*, thought Kimberly, taking a seat near the middle.

Carmen spoke first. "We're interviewing estate-planning attorneys to help us update our estate plan, but so far, nobody can help solve our fundamental disagreement: Should we tell our children about their inheritance or let them learn about it after we die?" She crossed her arms and tilted her head up ever so slightly.

"I'm against telling our kids anything," said Diego. "The minute they find out they're inheriting this much money, they'll start coasting. Especially Jorge. He'll drop out of school and alternate between making juvenile rap videos and playing video games. I didn't work this hard for my kids to live on easy street. They need to learn the value of hard work."

Carmen turned to face her husband. "Diego, telling the kids how much they'll inherit won't make them entitled. We raised our kids with good values, and if they're ignorant about their inheritance, they'll be ill-equipped to handle the complexities of wealth. There's quite a learning curve with all these trusts and life insurance. And I'd hate to see Jorge spending his career as an actuary instead of doing what he loves, even in the music industry."

Diego turned to Kimberly. "The bottom line is that Carmen and I want the same thing. We want our kids to be independently successful, have good values, be good citizens of the world and good family members and be successful financially. We disagree on how. What do *you* recommend?" he asked. "The last two attorneys agreed with me, and the two before that agreed with Carmen."

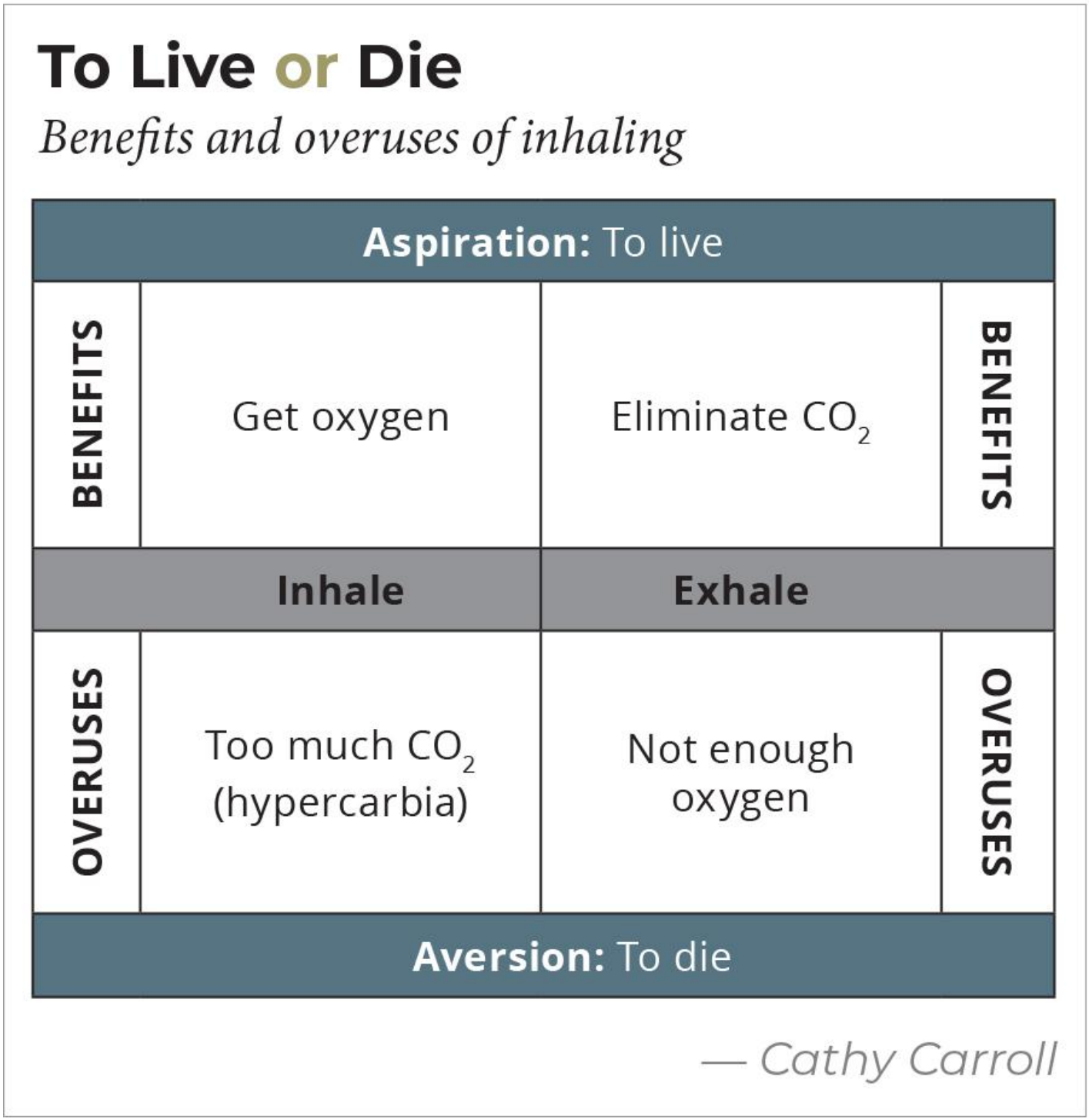
The Tension of a Polarity

This story exemplifies the tension of a polarity—a set of seemingly opposed but actually interdependent values or strengths—that a traditional "problem-solving" mindset can't answer.[1] Managing a polarity requires a different approach that supports a bit more complexity because polarities don't have the right answers. They're tensions to manage.

Let's discuss polarity thinking, a framework to help clients engage in slightly more complex thinking as they address their thorniest dilemmas.[2] Polarity thinking empowers clients to transcend indecision and move toward action.

Inhale and Exhale Polarity

Humans manage the inhale and exhale polarity throughout their lives. As depicted in "To Live or Die," this page, as much as inhaling has both benefits and overuses, so does exhaling have both benefits and overuses.



"Inhale and exhale" is an *interdependent pair of opposing values that define each other*. An inhale doesn't exist without an exhale, and vice versa. When you identify mutually supportive and opposing values, you face a polarity.

To learn how to navigate polarities, we'll study three different polarities:

• Reveal and conceal,

• Simple and complex, and

• Planning and action.

These are the same three polarities implied by the questions posed at the beginning of the article.

Reveal and Conceal

Let's turn back to the Padillas' reveal or conceal dilemma and Kimberly's response. "I have good news and bad news," Kimberly replied. "The bad news is that there's no right answer to your question. The good news is that you don't have a problem. You're facing a polarity, and we can use a different approach —polarity thinking—to address your dilemma."

Carmen's right eyebrow lifted slightly. "Say more," she said.

Kimberly continued. "A problem has a right answer. A polarity doesn't have a right answer because both poles in a polarity are necessary over time. Neither alone is sufficient to create and sustain high performance. Let me show you what I mean."

She pulled out a blank sheet of paper, positioned it landscape and drew a large plus sign. She wrote "Reveal" on the left of the horizontal line and "Conceal" on the right. Then she asked the Padillas a series of questions:

• What are your shared goals regarding your estate plan? Your aspirations?

• What are you trying to avoid? What's your aversion?

• What are the upsides of revealing your plan to your children?

• What problems do you see if you over-reveal?

• What about the upsides of concealing your plan from your children?

• What problems do you see if you over-conceal?

Ten minutes later, Kimberly lifted the page and showed the Padillas the polarity map they had created. See "Padillas' Polarity Map," p. 50.

Padillas' Polarity Map

Aspiration versus aversion

Aspiration: Descendants prepared for a healthy future			
BENEFITS	• The rising generation can conduct personal financial planning with reliable information. • We help the rising generation build knowledge and skills to prepare for the responsibilities of wealth. • We invite the rising generation of influence estate planning because they'll live with the outcomes.	• The rising generation develops healthy self-esteem, purpose and skills. • The rising generation is unburdened by the responsibilities of inherited wealth. • The leading generation doesn't have to defend their decisions to rising generations.	BENEFITS
	Reveal	**Conceal**	
OVERUSES	• The rising generation fails to develop healthy self-esteem and purpose and lives an entitled lifestyle. • The rising generation feels overwhelmed with the responsibilities of inherited wealth. • The leading generation has to defend their decisions with the rising generation.	• The rising generation spends a career doing work they loathe, only to discover too late that they could have afforded to pursue their passions. • The rising generation is unprepared for the responsibilities of wealth. • The needs of the rising generation aren't considered.	OVERUSES
Aversion: Descendants' lives constrained by inheritance			

— *Cathy Carroll*

"It seems to me that you simply have opposite pole preferences in a 'reveal and conceal' polarity," Kimberly said. "This is normal—we all have pole preferences, and they're usually based on an aversion to the overuses of the opposite pole."

Kimberly paused and let that sink in. "Because you have opposite pole preferences, you've been arguing the diagonals,"[3] she said, smiling.

"Sorry, arguing the what?" asked Carmen.

"The diagonals," Kimberly continued. "Carmen, you've beautifully described the benefits of reveal and the overuses of conceal. Diego, you've done a great job

describing the benefits of conceal and the overuses of reveal. See how you're arguing the diagonals?"

"I think so," said Diego.

"You've been entrenched in this battle because *you are both right*," said Kimberly.

Carmen and Diego began to smile. *Vindication,* they each thought! Then Diego asked, "Ok, but now what? How do we resolve our dilemma?"

"To transcend any polarity," Kimberly replied, "you replace either/or thinking with both/and thinking. Instead of *either* revealing *or* concealing your estate, you brainstorm new ways to integrate *both* the benefits of revealing *and* concealing. Let's get creative and give it a try. How can you help your kids prepare for the responsibilities of wealth *and* help them develop healthy self-esteem, purpose and skills?"

After another 10 minutes of brainstorming, several new ideas came to mind. They decided to start by having family meetings to discuss Padilla family values. Then when all the kids are in their teens, they'll share some of the structures of the trusts, without sharing dollar amounts, so that the kids start to learn the vocabulary. They'll also inform their children that the estate plan is likely to change over time. Eventually, they'll share the account balances, along with a letter of wishes, so that the kids have the knowledge they need to craft their own estate plans and live a fulfilling life. In effect, the Padillas changed their question from *should we reveal or conceal,* to *what and when we should reveal and what and when to conceal so we support our children to thrive*.

As their introductory hour ended, Kimberly asked, "So what do you think of polarity thinking?" In unison, the Padillas replied, "You're hired!"

Simple and Complex

When family advisors learn about polarity thinking, a lightbulb often turns on. “These are the tensions I deal with all the time,” said Todd Fennell, managing partner of Gould Cooksey Fennell. “I just didn’t know what they were called. Polarity thinking has changed my practice because now I have a process for clients that relaxes their fixations and calms strong emotions.”[4]

Fennell regularly uses polarity thinking with his clients. “Last week, I worked with a husband and wife who were on opposite sides of the reveal and conceal polarity. I knew they shared the same value system, but they were entrenched because each spouse saw all the pitfalls of the other spouse’s point of view,” he said. “Both spouses spoke sensibly and passionately because both were right.”[5]

They relaxed their resistance once he framed their dilemma as a polarity because both perspectives were affirmed. Only then could they collaborate on a plan forward.

The two polarities Fennell encounters most often are reveal and conceal and simple and complex. For example, his clients frequently request a simple plan, but then they ask for creditor protection, divorce protection, time for beneficiaries to mature and fewer taxes, all of which necessitate more complexity. Soon, the plan includes 10 trusts and four different limited liability companies that are layered together with promissory notes to sell, so it gets complex fast.

In 1995, Fennell met a successful investor who needed to update his plan. After listening carefully to his new client, Fennell recommended he create a life insurance trust married with a sale to a gift trust and a charitable remainder trust. This way, his client would meet his charitable and financial goals, and he’d protect assets for multiple generations.

After seeing the plan, the client agreed with everything Fennell presented, but didn’t want to manage this plan for the rest of his life. He was retired and didn’t want this to be his job. He questioned who would handle this when he was gone, how much it would cost and whether it was worth the complexity. Concerned that there would be

too many tax returns to file, he worried whether he would breach a trust obligation or fail to file something on time.

Once Fennell and his client recognized this challenge as a simple and complex polarity, they began brainstorming ways to harness the benefits of both. See "Simple and Complex Polarity," this page.

Simple and Complex Polarity

Aspiration versus aversion

Aspiration: Thriving next generation and tax efficient			
BENEFITS	• Easy to undestand.	• Fewer taxes, creditor protection, divorce protection, more maturity of beneficiaries, built-in advisors (trustees).	BENEFITS
	Simple	**Complex**	
OVERUSES	• Miss out on greatest tax protection.	• Overwhelming—Can't golf because too busy tracking everything. Costs too much. Too many tax returns to file. Easy to breach a trust obligation by mistake. Life is too hard.	OVERUSES
Aversion: Frustrated family members or lost tax advantages			

— *Cathy Carroll*

The result was the formation of the Gould Cooksey Fennell multi-family office. Not only did the client implement the plan Fennell recommended, but also he hired Fennell to manage it for him so the client could both enjoy his time on the golf course and achieve his estate-planning goals.

"That has been a huge success, and yet, it's not the only solution available," said Fennell. Different clients find different solutions based on their specific needs. "A recent client hired his granddaughter to run their family office. She loves doing the work, and her grandparents are living their best life."[6]

Planning and Action

Naomi called her attorney, Ivan. "Remember when I cut my son out of my estate? Well, now I want to put him back in. I just don't know how," she said. Naomi had

signed an irrevocable trust that named her two daughters the beneficiaries of her business, an illiquid asset that made up the bulk of her estate. Eighteen months and many conversations later, Naomi faced new health challenges, and she still hadn't decided how to update her plan to include her son.

Ivan started to grow anxious that Naomi would delay the decision until it was too late—she would die with nothing for her son. So Ivan pulled out his "planning and action" polarity map and shared it with her. See "Planning and Action Polarity," this page.

Planning and Action Polarity

Aspiration versus aversion

Aspiration: A plan that's thoughtful, strategic and aligned with our values			
BENEFITS	• We take the time to bring strategy and purpose to our estate-planning decisions. • We align our decisions with our values.	• We design a plan and execute documents in a timely manner. • We avoid probate.	BENEFITS
	Planning	**Action**	
OVERUSES	• We cycle in indecision and get mired in analysis paralysis. • We die before signing documents, and the estate goes into probate.	• We fail to think through all the strategies we could employ to perfect our plan. • We fail to perfectly align our plan to our values.	OVERUSES
Aversion: A plan that misses opportunities or does harm			

— *Cathy Carroll*

After studying the map, Naomi confessed, "I'm in the overuse of planning, aren't I?"

Ivan smiled. "I think Voltaire had estate planning in mind when he wrote that 'perfection is the enemy of good,'" he said. "Since you still aren't ready to finalize your plan, would you like to explore some interim options that would harmonize planning and action for now?"
She smiled and said, "Yes." He proposed
several options:

• Sign a revocable trust representing the parts of the plan about which she's confident. When she's ready to finalize other parts of the plan, she can:

- revoke the revocable trust,
- amend the revocable trust, and/or
- sign an irrevocable trust.

• Name her son the beneficiary of her individual retirement account.

• Change the beneficiary of the company's life insurance policy on her to include her son. She can always change the beneficiaries in the future if she changes her mind.

• Establish an irrevocable trust for her son that acquires a life insurance policy on her life. The trust would keep the life insurance proceeds outside her taxable estate yet be protected for her son's benefit. Because the premiums would be funded through her annual cash gifts, she could modify her funding levels to control the amount of life insurance that stays in force.

Hesitant to overwhelm her with options, Ivan paused to gauge her reaction. Drawn to the idea of forming an irrevocable trust with life insurance, she asked Ivan to start the paperwork while she contacted her independent life insurance broker to apply for life insurance coverage.

"Life insurance offers options and flexibility," said Carolyn Smith, senior partner at C3 Financial Partners, "because it helps clients manage yet another polarity—[planning for knowns] and [planning for unknowns]," she said.[7] She's found that the attorneys, accountants, financial advisors and insurance brokers who work in collaborative teams manage the countless estate-planning polarities best.

More Polarities

In fact, the polarities in the trusts and estates industry can seem endless. Here are some more:

• **Control and trust:** What trust provisions should I require for distributions in a trust?

• **Give to family and give to charity:** How much is too much to give to my descendants? How much is enough?

• **Top down and bottom up:** How much of the estate plan should I define, and how much should I let my kids influence because they'll live with the consequences?

• **Equal and equitable:** Should I pass the business on to all my children equally or just to the one(s) who work in the business? How do you define “fair?”

• **Merit and inherit:** Should I ask my children to buy my business from me or gift it to them?

• **Tradition and innovation:** Should we stick with our traditional approach or introduce innovation such as artificial intelligence?

• **Include and exclude:** Should we allow our children’s spouses to participate in family meetings? Own shares? Assume roles in the Family Council?

Key Principles

When polarities are framed as either/or problems, families get stuck in conflict or indecision because polarities have no right answers. Or, better said, there’s “right” in both answers.

Once you recognize that you face polarity, keep these principles in mind:

1. Both poles in a polarity are necessary, over time. Neither alone is sufficient to create and sustain high performance. When you focus exclusively on one pole, you’re guaranteed to experience its overuses.

2. We all have pole preferences. Our preferences are born from an aversion to the overuse of the opposite pole. When people with opposite pole preferences argue who’s right, they tend to spin in place by “arguing the diagonals” because they’re both right.

3. To transcend any polarity, replace either/or thinking with both/and thinking.

Polarity thinking may not feel intuitive at first. It asks us to simultaneously hold two opposing truths together, which isn't how our brains are trained to think. As F. Scott Fitzgerald famously wrote, "The test of a first-rate intelligence is the ability to hold two opposed ideas in mind at the same time and still retain the ability to function."[8]

Endnotes

1. Sometimes called a "paradox," "dilemma," "dichotomy," "duality" or "conundrum," a polarity is a pair of opposite forces, tendencies or values that need each other to exist.

2. Barry Johnson introduced polarity thinking in the 1970s and again in his book, *Polarity Management: Identifying and Managing Unsolvable Problems* (HRD Press 1992). For more about polarities, start here: *https://polaritypracticetools.com* .

3. The concept of "arguing the diagonals" comes from Brian Emerson and Kelly Lewis' innovative book, *Navigating Polarities: Using Both/And Thinking to Lead Transformation* (Paradoxical Press 2019).

4. Zoom meeting with Todd W. Fennell and Cathy Carroll (April 23, 2024).

5. *Ibid.*

6. *Ibid.*

7. Zoom meeting with Carolyn J. Smith, Todd S. Healy and Cathy Carroll (May 7, 2024).

8. *https://quoteinvestigator.com/2020/01/05/intelligence/* .

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