

TRUSTS & ESTATES

Artificial Intelligence—Friend or Foe?

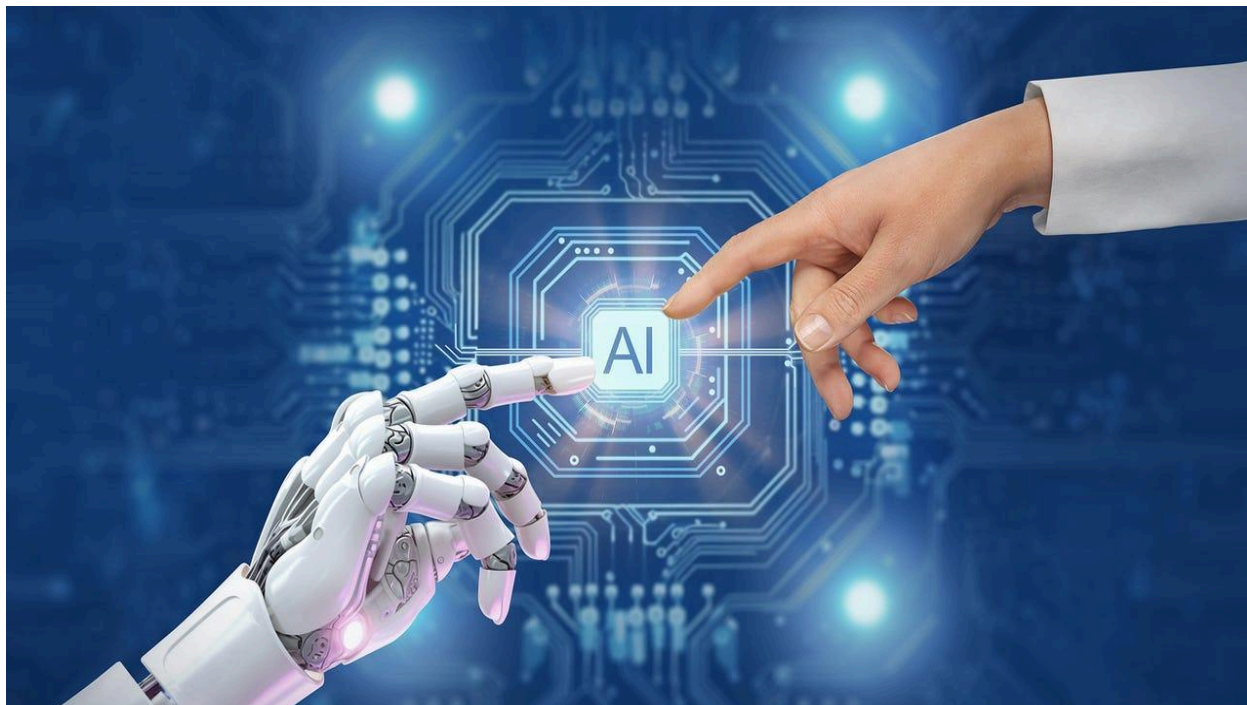
Adapting to the AI revolution while maintaining the human touch.



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11 Min Read



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As estate-planning attorneys, CPAs, trust officers and financial planners, we stand at the crossroads of technological advancement. Artificial intelligence (AI) is increasingly reshaping our professional landscape, bringing opportunities, challenges and ethical questions. Will AI replace us? How can we use AI to enhance client value? What does the future hold, and how should we navigate this change responsibly? We aim to address these pressing questions, offering insights into adapting to the AI revolution while maintaining the human touch that defines our professions.¹

The Current Landscape

Integrating AI into estate planning, financial services and tax preparation is already underway, marking the beginning of a transformative era. This shift isn't just about convenience; it's also about accessibility, efficiency and

potentially a form of social justice in industries where many individuals and families have historically been excluded from access to professional services.²

AI is being rapidly incorporated into estate-planning practices. AI products can increase how professionals draft, review and summarize wills, trusts and other estate-related documents. They can also accelerate the preparation of pleadings, briefs and client communications. Moreover, AI is enhancing the speed and accuracy of legal and financial research, potentially revolutionizing how professionals approach complex cases.

Usurping Humans?

Despite AI's advancements, the notion that it will entirely replace professionals in estate, financial and tax planning is largely unfounded. AI lacks the human element that's essential to our work. Empathy, intuition and the ability to understand context are irreplaceable qualities only humans bring.

Additionally, discussions and decisions regarding such items as who will serve as executor, trustee, power of attorney or health care proxy, at what ages do children and grandchildren have control or access to funds, how to divide the family business, how to provide for the second spouse and children from different marriages and special needs descendants, would seem far too nuanced with "human" dynamics for AI to lead. Like the roles of psychologists, social workers, heads of state and most importantly, parents and grandparents, AI can't possibly usurp these necessarily very human roles—at least not yet, and it's scary to think of a world and a time when this could happen.

Estate-planning attorneys, for instance, are often called on to navigate highly sensitive conversations about family dynamics, legacy and life's uncertainties. While AI can efficiently draft documents or analyze data, it can't discern unspoken concerns or mediate delicate family disputes. Imagine a scenario in which siblings are arguing over inheritance issues. An attorney's ability to mediate compassionately and guide the discussion toward resolution is far beyond AI's capabilities.³

Similarly, CPAs bring judgment and nuanced expertise to their work, which exceeds the numbers. Advising clients on complex tax strategies requires understanding the Tax Code and an appreciation for the client's broader financial and personal goals. A CPA can help a client weigh the pros and cons

of a particular strategy, factoring in elements like family circumstances and long-term aspirations—something AI can't replicate.⁴

Trust officers have excelled in building and maintaining relationships for generations. They act as stewards of a family's legacy, translating client values into actionable plans. This work requires deep relational skills that no machine can emulate. Financial planners, meanwhile, are more than just calculators of returns; they serve as coaches and motivators. Clients rely on planners to reassure them during turbulent markets or to help them articulate their dreams and goals. While AI can provide data-driven insights, it can't inspire the confidence and trust foundational to these professions.⁵

Maximizing AI's Potential

Rather than fear replacement, professionals should focus on how AI can be a powerful ally. Those who learn to harness their capabilities will survive and thrive in this evolving landscape. AI has the potential to enhance our work in ways that were previously unimaginable.

Efficiency gains and task automation.

AI brings significant efficiency gains to estate planning, financial services and tax preparation. Time-consuming tasks, such as document review or compliance checks, can now be handled in a fraction of the time. This frees professionals to focus on meaningful work, such as strategic planning or personalized client interactions.

For example, AI-powered platforms can automate creating, updating and managing estate-planning documents. Tools like CountingWorks PRO can analyze existing financial documents, flag discrepancies and suggest updates based on the latest legal and financial regulations. This ensures that accountants and legal advisors always work with the most up-to-date information.⁶

Personalized insights and data analysis.

AI enables highly personalized insights through advanced algorithms that can analyze vast amounts of data to identify client-specific opportunities. For instance, AI can analyze an estate's financial data, predict potential tax implications and suggest strategies to minimize tax liabilities. This capability allows for more strategic decision making and better alignment between financial and legal strategies.⁷

Moreover, AI can assist with scenario planning. A CPA might use AI-powered tax software to model various tax strategies, showing a client the potential outcomes of each approach. This kind of visualization can help clients make more informed decisions, enhancing their confidence in the advice they receive.

Enhanced compliance and risk management.

AI systems can continuously monitor regulatory changes and automatically adjust estate-planning documents to ensure they remain compliant. This reduces the risk of errors and ensures that accountants and legal advisors adhere to current laws. Additionally, AI can help identify potential risks and opportunities that may impact estate plans, allowing professionals to make more informed decisions and adapt their strategies to changing circumstances.

Improved communication and collaboration.

AI-enhanced communication platforms facilitate real-time collaboration among accountants, legal advisors and clients. These platforms can securely share documents, track changes and provide a central hub for all parties involved. This minimizes the chances of miscommunication and ensures that everyone is on the same page.

Opportunities and Challenges

AI allows professionals to differentiate themselves by delivering faster, more accurate services. For example, a CPA who uses AI-powered tax preparation software to identify tax-saving opportunities quickly may stand out in a competitive market. AI also enables professionals to expand their practices by serving clients or offering more comprehensive solutions.

Integrating AI into estate-planning procedures is reshaping the landscape of wealth management and legacy preservation. AI technologies are revolutionizing estate planning by automating and optimizing various process aspects. AI systems can efficiently manage vast volumes of financial data, legal documents and client information through sophisticated algorithms and data analysis techniques.

However, there are challenges to consider. Overreliance on AI could erode the critical judgment central to our professions. Professionals must remain vigilant, ensuring that AI supports their expertise rather than replaces it. Data

security is another significant concern. AI systems rely on vast data, making robust safeguards essential to protect client information.

Ethical considerations are equally important. AI systems can perpetuate biases in their training data, potentially leading to unfair outcomes. For example, an AI tool used to assess financial risk might inadvertently favor specific demographics over others. Professionals have a responsibility to scrutinize AI outputs to ensure fairness and equity.⁸

Transparency is also crucial. Clients have a right to understand how AI is used in their planning and trust that their data is secure. As AI becomes more prevalent in estate planning, financial services and tax preparation, it's essential to establish clear guidelines and best practices for its ethical use.

Loss of Technical Expertise

One concern we see with estate-planning document drafting systems and software that many law firms use today is that many attorneys don't become experts with the drafting and don't know or understand the technical and practical reasons for each provision. Many just know how to answer the questions and prompts that the software presents. This may prevent less experienced attorneys from becoming experts regarding the documents and provisions. Similarly, if estate planners become too heavily reliant on AI, they won't become true experts on the subject matter and learn how to properly guide clients. There could be a real diminution in the technical expertise of the next generation of estate-planning attorneys. We already see this lessening of knowledge and technical expertise in more junior attorneys.

Navigating a Changing Landscape

As AI becomes more ubiquitous, client perceptions of our professions are changing. Many clients now expect faster, more transparent services, leading to a potential commoditization of estate, financial and tax planning. To counteract this trend, professionals must emphasize the unique value they bring to the table.

Professionals should highlight their ability to guide clients through emotionally charged decisions, a skill no AI can replicate. For example, a financial planner might emphasize their role as a coach and motivator, helping clients stay focused on long-term goals during market volatility.

Marketing strategies should balance AI capabilities and human expertise. Demonstrating how AI enhances—rather than replaces—your expertise can help clients appreciate the added value of working with a professional. For instance, explaining how AI tools enable faster and more precise tax analysis while still relying on your judgment can reassure clients of the indispensable role of those AI tools.

Professionals may need to adapt their service models to incorporate AI effectively. This could involve offering tiered services, where basic tasks are automated and more complex issues receive personalized attention. It may also mean focusing on high-value advisory services that leverage AI insights but require human interpretation and application.

Emerging AI Technologies

AI may soon be able to analyze complex legal documents with unprecedented accuracy, flagging potential issues for attorneys to review. Natural language processing capabilities enable AI systems to interpret and generate legal documents with a level of sophistication that rivals that of human professionals.

Predictive analytics is another key AI application in estate planning. By analyzing historical data and identifying patterns, predictive analytics enable estate planners to forecast future scenarios and assess potential outcomes. This predictive capability empowers planners to anticipate challenges, mitigate risks and develop proactive strategies to safeguard their clients' assets and interests.

Staying ahead of these changes requires continuous learning. Professionals must focus on the aspects of AI most relevant to their work, whether through formal education, peer groups or the guidance of consultants. The 2024 Clio “Legal Trends Report” provides an in-depth look at how AI disrupts traditional legal workflows, billing models and client engagement, offering valuable insights for professionals looking to adapt.⁹

Outsourcing certain aspects of AI integration can be an effective strategy, especially for busy practitioners. Platforms like LegalMation offer AI-powered legal research and document drafting services that can be seamlessly integrated into existing workflows. Similarly, AI-based financial planning software can help planners offer more sophisticated analysis and recommendations.

For legal professionals, AI has the potential to reshape traditional roles and responsibilities in estate planning by augmenting capabilities, streamlining processes and enhancing service delivery. This shift may redefine the role of legal professionals from traditional document drafters to strategic advisors and trusted counselors, capable of leveraging AI-driven insights to provide personalized, holistic solutions tailored to each client's needs and objectives.

A Useful Tool

AI is neither friend nor foe—it's a tool. Its value lies in how we choose to use it. By embracing AI's strengths while maintaining our uniquely human abilities, we can deliver unparalleled value to clients and remain indispensable in an ever-changing world.

Integrating AI into estate planning, financial services and tax preparation offers tremendous potential for enhancing efficiency, accuracy and client service. However, it also presents challenges that professionals must navigate carefully. By staying informed about AI developments, adapting our skills and services and focusing on the human elements of our work, we can harness the power of AI to serve our clients better and strengthen our professions. As we move forward, it's crucial to approach AI adoption with a clear purpose and strategy. Identify specific pain points in your practice that AI can address, whether improving document creation efficiency, enhancing client support or providing more sophisticated financial analysis. Start with targeted implementations and gradually expand as you become more comfortable with the technology and its capabilities.

Perhaps AI can replace certain functions ordinarily performed by the human "brain" and with more precision and at a much faster pace. However, AI can't replace or duplicate the human "heart," as empathy, spirit, compassion, kindness and care belong solely to human beings and not to the robotic realm. The future belongs to those who adapt and lead. By embracing AI as a powerful tool in our professional arsenal, we can elevate the quality of our services, expand access to estate planning and financial advice and better serve our client's needs in an increasingly complex world. The time to start this journey is now.

Endnotes

1. As a side note, Craig R. Hersch created the first draft of this article with the help of an AIBot. This sped up the process by several hours as his bot has been trained to write how Craig writes, using his past articles as examples.

The time it takes to construct an article like this, so long as useful prompts are articulated to the bot, is only a fraction of what it once was. For more information about how to create a bot and to use it, see Craig R. Hersch, “Creating an AI Bot: A Productivity Tool for Legal, Tax and Financial Professionals,” *Trusts & Estates* (December 2024).

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3. Gerry W. Beyer, “Artificial Intelligence Ethics for the Estate Planner,” *Estate Planning Developments for Texas Professionals* (March 2024).

4. Gerry W. Beyer, “Artificial Intelligence and Its Impact on Today’s Estate Planner,” MyLawCLE (2023), <https://mylawcle.com/products/artificial-intelligence-and-its-impact-on-todays-estate-planner/>.

5. “AI and Estate Planning: Exploring Future Trends and Implications,” RJF Fichera Law Firm (2024), <https://rjfesq.com/blog/ai-and-estate-planning-exploring-future-trends-and-implications>.

6. Rebekah Barton, “How AI is Bridging the Estate Planning Divide,” CountingWorks PRO (Sept. 10, 2024), www.countingworkspro.com/blog/how-ai-is-bridging-the-estate-planning-divide#:~:text=Streamlined%20Document%20Management%3A%20AI%2Dpowered,latest%20legal%20and%20financial%20regulations.

7. Amjad Hussain, “The four ways Artificial Intelligence (AI) will transform estate planning,” Vanilla (2023), www.justvanilla.com/blog/the-four-ways-artificial-intelligence-ai-will-transform-estate-planning.

8. *Supra* note 3.

9. www.clio.com/resources/legal-trends/2024-report/.

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