

1. Why A Non-Profit?

Long ago, a fiduciary was a steward serving the needs of the very wealthy. For many years, this role was taken on by the family's attorney or an investment manager. Mr. Rockefeller is said to be the first American to form a trust to hold his interests in Standard Oil. During most of the 20th Century, trusts were viewed as vehicles of the wealthy to hide assets from creditors, spouses, or nosy neighbors.

Significant changes occurred in California trust law which became effective in 1991. At the same time, the Federal Estate Tax rate was at 55% which fueled interest by even middle-class families to avoid this heavy tax. Anyone who owned a home in California could save their heirs a significant amount of money by creating a married persons trust. Modern estate planning techniques were now applied to many family situations.

In creating a typical self-settled trust, parents usually determine who receives their assets after they die. Another important choice is who will wrap up estate matters. We all need to name someone as an agent in case we find dementia causing confusion and invading our ability to make good decisions for ourselves.

A trust is a legal entity, like a corporation or a person. Until 2008, the choice available to people to fill these roles were generally a trust company or an unlicensed individual - be they family or trusted advisor. In 2008, the State of California created a professional license for individuals who wished to provide services to people in one of these fiduciary roles.

Today, the demand for these services is growing along with a need to offer an organization better equipped to provide for succession plan and continuity of care. While licensing brought a higher standard of education and training in this work to individual practitioners, there was no specific corporate form authorized under Probate Code, other than large trust companies or non-profit corporations.

A non-profit is most often formed to meet the needs of a particular vulnerable class of people and to advocate for social changes to better provide for these people. A non-profit differs from a for-profit company as it does not build wealth for investors. Rather, it is a quasi-public entity formed and managed to serve the interests of the protected class of individuals. As such, a non-profit corporation is a logical and useful choice for educating the community and providing fiduciary services to orphan elders and adults with special needs.

California Probate Code specifically authorizes non-profits to take on the role of fiduciary, without any specific training or licensing. The ACE Fiduciary Group, A Non-Profit Corporation ("ACE") offers services under specific probate code authorization, but adds its own requirement. Through the Board and Executive Director, ACE provides organizational oversight by a licensed professional fiduciary and a licensed social worker. The formation of an organization allows for development of fiduciary skills while attracting younger people to the profession through training and recruitment. This is a better solution to future needs in our community than a single individual.

2. Who Does ACE Serve?

ACE was formed to meet the needs in aid and support of the health and welfare of persons residing in California who are of advanced age or who otherwise need such services. We do so as court appointed conservator or privately chosen trustee; and may lawfully serve as executor, personal representative, administrator or agent, as needed.

In this role, ACE serves in a similar capacity as individuals but when ACE is named, the organization as a whole steps into the role. This allows us to develop staff with a variety of skills and continue the work if one fiduciary leaves or new team lead fiduciaries are hired by ACE. In this way, the whole organization, not just the licensed fiduciary is serving the client.

ACE has a vision for future program goals which includes a Fiduciary On Residency or "FOR" program that offers a hands-on training program for fiduciary interns. We are currently preparing workshops to educate the community about the needs of "orphan elders" or families in conflict. We are searching out available grants to allow ACE to serve future low-income, no-asset elderly persons. Currently, our organization only accepts cases with "orphan elders" and special needs adults with appropriate asset levels to fund needed services.

3. Who Are Orphan Elders?

All indications are that the need for these services has increased dramatically since California created the requirement for professional licensing of fiduciaries. This is due to both a growing elderly population and the increased amount of estate litigation.

"Orphan elders" are adults of advanced years who find themselves without support. They are a next door problem in all of our communities. This is a bigger concept than widow or widower. We expect, and the law protects, all adults to make their own decisions until they ask for help or are proven in a court of law to lack mental capacity to make contractual decisions for themselves. Someone can become an "orphan" elder in the following ways:

- Death of a spouse and no competent adult children. Even if the elder has children, they may be incapacitated by mental disorders, drug or alcohol abuse or spendthrift lifestyles. Or, they may be in conflict with each other.
- When the elder passes away, they leave behind a new generation of "orphan elder" in adult children who are dependent and unable to manage their own affairs.
- Divorce of a spouse later in life (a growing trend in California) with no competent adult children.
- Family in conflict due to previous inter-family squabbles or blended families, leaving an elder at the mercy of heirs or trust beneficiaries who do not support them.

Even when an elder has family nearby, the siblings or others may also be an elder or in poor health. Or, competent adult children may be busy with their own family or jobs or lack the ability to deal with decisions for their aging parents. Or, they may live too far away.

These “orphan elders” are at risk due to a lack of health care advocacy or because of social and health issues that arise with the progression of mild cognitive impairment (“MCI”) into eventually dementia. Additionally, and even more insidiously, they are at risk of losing assets and resources urgently needed at this age because of elder financial abuse. This population needs to choose a trustworthy set of professionals to preserve and protect their resources for their own needs as they age.

4. How Many People Are Affected?

While it is quite difficult to get an accurate count of elders with diminished capacity, there are some ways to get a handle on the size of the problem. According to the US Census Bureau, in 2018 the population of Contra Costa County was 1,049,025. The population over 65 years old was 15% and this percentage has grown over the past few years. According to Population Reference Bureau report, the percentage of the population 65 and older will rise to 24% by 2060.

Along with this age trend, the percentage of divorced women over age 65 increased from 3% in 1980 to 13% in 2015 and divorced older men in the same time frame from 4% to 11%. Both death and divorce create “orphan elders”. According to the 2016 Population Reference Bureau Report, 27% of women between 65 and 74 lived alone, 42% between the ages 75 and 84; and 56% of women age 85 and older.

At 85 years and older, about 50% of this population may display symptoms of dementia. At the same time, expected longevity is inching closer to 100 years old.

Applying these statistics to Contra Costa County to get just a flavor of the impact on our families and neighborhoods, we see a picture as follows:

Estimated	2018	Projected 2060
Population over 65	127,063	351,116
Women alone & over 65	25,650	73,734
Men alone & over 65	18,870	52,667
Population under 65 with a disability	72,891	7.5% of pop.
Population with MCI or Dementia	8,776	26,000
Contra Costa County New Probate Cases	2,100+	7,000+

Even though this population is not generally lacking in resources or wealth, once mild cognitive impairment (MCI) sets in, these elders are at risk and often have trouble getting the help they need. Since Baby Boomers are the generation fueling this next increase in 65+ population, they are about to become the next group of “at risk” elders. This is known as the “Silver Tsunami” both because of the large numbers of elders requiring appropriate services and the expected value of wealth transfers over the next twenty-five years.

- *It has been estimated that millennials stand to inherit \$30 trillion from their predecessors, a phenomenon that has been dubbed “the great wealth transfer”.*

5. Why is a Succession Plan for Professional Fiduciaries Important?

In our work as professional fiduciaries, we are called to be ready to administer the estate plan wishes of our clients. As a profession and as a community, it is important to find an organizational model that will allow professional fiduciaries to be part of an organization, so that the entire organization is the fiduciary. This allows for specialization, training and a long view. It also provides comfort to our clients and offers hope for fiduciaries. More licensed fiduciaries are retiring or leaving the profession while the number of people who need these services increases.

To meet the growing need, as a profession, we need to create vibrant, viable organizations to handle the work. Unlike attorneys, CPA's, doctors, therapists, and many other professionals, professional licensed fiduciaries are limited in how they can take on cases. While other professionals regularly band together in a variety of business formations, professional fiduciaries often work solo.

The best way to ensure that the estimated 26,000 people who will be living with MCI or dementia in 2060 will have someone to be there for them is to start growing an organization now. One that is accountable, compassionate, and an expert in fiduciary work. Otherwise, our elder population will be left out in the cold.

New ways of organizing and attracting millennials to work in this field are needed because the current average age of professional fiduciaries in California is 65+. Since community and meaningful work is highly important to the next generation, it is imperative that we build an organization that can both meet the needs of the aging population and train the next generation to do so. A non-profit is the best possible way to build an organization with sustaining social value.

6. Where Are My Donations Used?

We have launched a "Kickstart" campaign to raise awareness and donations. Donations are used this year to build the organization much like a "crowd funding" launches a for-profit company. We are accepting donations via check and coming soon through our website.

We educate and communicate with the community. To do this we are building an organization that can employ and train future fiduciary team leaders.

Services offered by ACE are paid for by the person or estate at standard rates, which may be reviewed and approved by courts, if needed. Fees charged for services are used to support the growth of the organization and keep it healthy. Only after the organization has developed a flow of fee-based work will ACE be in a position to take on discounted cases, which will depend upon a variety of factors, including an elder's assets and income.

Once the organization is more active with paid services, it is anticipated that donated funds may be used to launch specific programs, as developed by the Board of Directors. For example, all who work in this arena are aware of the limitations on the Public Guardians. Should significant donations or grants become available, a program to fully support at risk elders of all asset and income levels will be developed.

Each year, we expect to launch a new specific program or expand an existing program. Regular supporters and donors will have a new opportunity to invest in education, outreach, targeted community needs or training up the next generation of fiduciaries.

We are grateful for supporters and donors. ACE is a recognized 501(c)(3) organization and donations may provide donors with tax credits. Each donor should have their own tax situation reviewed by their tax advisor.

We recognize supporters and donors in many ways. One of these is our launch party. We appreciate those who serve on the Board of Directors and those who give funds. We list donors each year on our website. For those who have professional services or a business website, we will provide a link on our website.

Our donors become part of our force of “Guardian Angels” watching out for at risk orphan elders. As such, we all benefit by curating our lives for greater good.

7. Are There Other Organizations Like ACE?

Banks have trust companies which do some of this work. They operate as you might expect. There are also numerous non-profits that have a planned giving department which do the legal work in-house and insert the non-profit in the role of both beneficiary and trustee. These institutions can be the right fit for certain elders, but in general, most for profit corporations have a different focus when dealing with clients and are less able to accommodate the unique nature of the situations facing elders.

Serving an elder or adult with special needs requires technical and people skills. It is usually most effective to see the whole person and take on their situation as a trusted friend might. In this way, individual professional fiduciaries can be of great service. But the longevity of their service is easily projected by their life expectancy.

There are a few other non-profits started in the 1970's, such as Legal Assistance for Seniors; Institute on Aging; Jewish Family Services; and Diablo Valley Foundation. These organizations offer a variety of services, with fiduciary services as an add-on. ACE is unique in that it has been launched to meet a growing and specific need - to serve as conservator or trustee; agent or executor and to train the next generation with hands-on, experiential, collaborative training methods. We have begun reaching out to each of these non-profits to develop an Alliance For Greater Good to allow each organization devoted to this social need an opportunity to share insights and resources where possible.

8. Why Donate to ACE?

When we give to something, we are expanding beyond ourselves. ACE is formed to move beyond the model of individual fiduciary and recognize the applied skills and abilities of all the members of our staff.

Our work is a meaningful connection with elders and their families. We invite you to join our community of supporters so you can reach into the life of “orphan elders” and offer them a way to protect and preserve assets through forming a relationship with a trusted fiduciary team.