

The Importance of Estate Planning— Lessons to be Learned from Kobe Bryant’s Death

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Kobe Bryant and his thirteen-year-old daughter died on January 26, 2020 along with several others in a helicopter crash near Los Angeles. The events surrounding his death have been widely publicized. He is survived by his wife, Vanessa, and three young children. Over a 20-year career in the NBA and the endorsement deals that followed, it is estimated that Bryant made about \$680 million. When a famous and wealthy person like Kobe Bryant dies leaving behind a wife and children, we are reminded of the essential need to prepare an estate plan to take care of our families long after death—regardless of your net worth. Let’s now consider some of the issues facing Kobe Bryant’s estate and how it could affect his family.

The terms of Kobe Bryant’s estate plan are not known, presently, to the public. However, given his lengthy career, purported business acumen and time in the spotlight, it is more likely than not that he had a trust or, at a minimum, a Will in place for asset protection and/or to meet his wife’s and children’s future needs. However, given his relatively young age, it is possible that he may not have executed his estate planning documents or took the necessary steps to transfer assets into his trust—neither of which are hard things to do. Depending on what Kobe Bryant did, or did not do, with his estate plan affects how his estate assets will be distributed.

Let’s first look at how Kobe Bryant’s estate plan may affect his wife. She is young and attractive. It is conceivable that she may marry again. If Kobe Bryant did not leave her share of the estate assets to her “in trust”, then those assets become exposed to both his creditors (e.g. potential wrongful death lawsuits by the other family members on the helicopter) and her creditors (e.g. a second spouse who may later divorce her or alleged “friends” who may swindle her with purported “can’t miss” investments opportunities). This is not an easy thing for a surviving spouse to deal with particularly while in mourning and taking care of young children. Conversely, if Kobe Bryant left his estate to his wife in trust, then all of the above issues could be avoided while allowing for the efficient transition and management of assets for his wife’s and his children’s lifetime.

Next, let’s look at how Kobe Bryant’s estate plan may affect his three surviving children. Like most parents, it is plausible that he wanted to leave a portion of his estate to his children upon his death to pay for their future needs (e.g. health, education, buying a first car or a house and

paying for a wedding). They are too young to manage their inheritance on their own. In absence of a trust, in which Kobe Bryant would name the trustee he wanted to manage the inherited asset for his children up to a certain age (e.g. age 35 or even for their lifetimes) the court will have to appoint a trustee for the children. The court could potentially appoint a trustee that Kobe Bryant may not have wanted. Because the court would be involved, Kobe Bryant's estate assets now become public record for the world to see. Further, without a trust each child will inherit their share outright when they turn eighteen years of age because that is the age of majority in the United States and there is no way to stop it absent having a trust. Most eighteen-year olds are not capable of managing a few thousand dollars, let alone multi-million dollars. Without a trust, the children can do whatever they want with their inheritance at the age of eighteen. The media outlets are flooded with reports of children of celebrities squandering money on expensive cars and houses, drug and alcohol addiction and creditor issues because they did not, in fact, earn the money making up their inheritance. However, with proper trust planning, Kobe Bryant could have determined when, and how much, each child should receive from their inheritance while allowing for changes in circumstances such as the onset of a disability. It is also possible, with proper trust planning, to permit a child to become a co-trustee at a certain age (once they reach adulthood) so that they learn how to become financially responsible. By giving children the power to contribute, on a limited basis, to their own financial management there is a greater likelihood that they will become more financially responsible adults and thus more self-reliant.

The odds are that we will never know the full terms of Kobe Bryant's estate plan if he utilized a trust because a trust is not subject to probate (like a Will is) and thus does not become public record. Therefore, with a trust, his family will enjoy a level of privacy and control that a Will cannot provide. Because trusts are private and not public record (like a Will) it is much harder for people to try to swindle trust beneficiaries out of their inheritance.

In summary, with proper trust planning, Kobe Bryant could have protected all of his assets from creditors, made the transfer and the management of those assets much easier while also lifting a heavy burden off of his spouse and children for the rest of their lives. This is the lesson to be learned from such a tragic event—prepare now, before it is too late.