By **Michele Fuller**, Founder & Attorney | *The Settlement Architect*

How to Guide a Client Away from a Lump Sum

A practical guide for attorneys who need to slow the decision down before the money is paid out.

When a client hears the settlement number, wanting the lump sum is natural. It feels immediate. It feels flexible. It feels like control.

The problem is not the instinct itself. The problem is letting that first reaction harden into a final decision before the client understands what the settlement may still need to protect.

Why this conversation matters

Any settlement that has to protect the client over time crosses three areas:

Benefits Preservation | Strategic Structures | Trust Administration

A lump-sum decision can affect all three. Benefits can be disrupted. Better structural options can narrow. Long-term protection can weaken before the client understands what may be traded away.

That is why this conversation matters before the money is paid out.

What the attorney is really trying to do

The goal is not to shame the client for wanting the lump sum. The goal is not to rush into a payout decision before the consequences are clear.

The goal is to slow the decision down long enough for the client to understand what this money may need to do for them after the case is over.

A better frame for the attorney

Instead of thinking only in terms of **Does the client want the lump sum?**, the attorney should be thinking: **What still needs to be protected before the money is paid out?**

That is the strategic frame behind the conversation. It may not be the exact sentence you say out loud to the client. But it is the right question to have in mind before the decision hardens.

BENEFITS PRESERVATION

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What settlement planning counsel does

Settlement planning counsel is the legal partner brought in before funds move to evaluate the recovery across benefits, legal structures, and long-term administration.

That matters because a client may see the settlement as cash in hand, while the attorney still has to think about whether benefits could be disrupted as early as the following month, whether the right legal structures are being considered before funds move, and whether the recovery will still work for the client long after the case is over.

ONE WAY TO BEGIN THE CONVERSATION

"Before we decide how you want the money paid, I want to make sure we look at what that choice means for you over time."

That keeps the conversation grounded in the client's future rather than the immediate urge to take the cash and move on.

Practical guidance for the first conversation

1. **Slow the pace before the client locks into the number as cash.**
   Clients often treat the settlement number as if it already belongs in a checking account. Your first job is to create space between the number and the payout decision.

2. **Tie the conversation to what the settlement still has to protect.**
   Bring the discussion back to benefits, legal structures, and long-term administration. The issue is not simply how the client wants the money. The issue is whether the outcome will still last after the case is over.

3. **Do not let one payout option masquerade as the whole strategy.**
   A lump sum may feel flexible, but flexibility is not the same thing as protection. The settlement still has to be evaluated across all three areas before the choice is treated as final.

4. **Bring settlement planning counsel in while strategy still has room to work.**
   The earlier the structure is reviewed, the more room there is to protect benefits, evaluate legal options, and clarify what has to happen before funds are distributed.

Bottom line: The question is not whether the client wants the lump sum. The question is whether the settlement has been architected to protect what comes after it.