



Wealth Planning Strategies

The Value of Multigenerational Family Meetings

If you've amassed sizable wealth, or are on the right path and getting there, it may be time to consider how to pass on some of that money to children and grandchildren—without creating big problems that could harm their futures and destroy family harmony.

The fact is, family wealth—how it's managed, transferred and used—can generate major drama among family members. As wealth grows, so does the potential for that money to foment conflicts and bad financial decisions that can reduce a family's financial position and even ruin intra-family relationships forever.

The good news: We can look to the strategies used by today's ultra-wealthy families to avoid or mitigate such negative outcomes—and find ways to adopt similar strategies in our own families.

One of the most effective tools harnessed by the ultra-affluent is the **family meeting**—which is used to educate heirs and potential heirs about sound financial decision-making, to identify shared family financial values and to maintain (and grow) family wealth in a unified manner.

Family meeting benefits and advantages

Family meetings can help avoid the thorny problems that can arise when inheritors who receive substantial assets lack the proper preparation and education to manage the money prudently.

Regular family meetings can also help families keep their wealth together and intertwined, which can have major advantages such as:

- Being able to access certain types of high-minimum investments
- Leveraging a larger fortune to lower the cost of financial advice and services

The underlying objectives are family cohesiveness, superior management of the family's future across generations, and the preservation and growth of family wealth.

The family meeting principally provides a venue for multiple generations to discuss financial matters. Common topics covered at well-run family meetings include:

- Promoting financial literacy in future inheritors
- The family investment philosophy
- Family philanthropic values and activities, and how they are financially supported
- New business ventures and how to fund them

Family meetings are where a family's values and mission are discussed, debated and honed. Governance structures are often addressed and refined. In many cases, family meetings are great settings to plan the action steps needed to prepare next generation leadership roles. Often, the end result is greater feelings of cohesiveness, trust and support among family members of various generations.

FOUR STEPS TO A SUCCESSFUL FAMILY MEETING

Step #1: Planning the meeting

The starting point is specifying the goals for the family meeting. The more specific and refined the goals, the better. An agenda based on those goals should be created, delineating what is to be discussed and what decisions can hopefully be made. Based on the nature of the topics on the agenda, supporting material might be required (such as the financials of the family business or the performance of the family's investment portfolio).

Often, the planning part will be shared and rotated among various members from meeting to meeting. When it's your turn, be sure to get input from all family members who will be involved. By taking suggestions from everyone into account, the family is more likely to

achieve the desired group results.

Add some fun: Many families also include fun activities as part of their family meetings—such as golfing, a family softball game or a wine-tasting event. These bonding moments are nice on their own, and also help promote a better meeting.

Step #2: Conducting the meeting

The focus of the family meeting should be the goals and agenda. Therefore, it is usually wise to mitigate day-to-day distractions—for example, by holding the meeting at a resort or a tucked-away family property.

The most effective meetings we've seen tend to have an outside professional—a neutral third party—involved as facilitator. This individual will help address the more complicated and difficult issues and keep the discussions on track and focused on the end goals and action steps. The facilitator also helps ensure that all family members are involved, and can help mitigate conflicts that may arise.

The types of third-party professionals commonly serving in this role include:

- Attorneys and accountants
- Wealth managers and multifamily office senior executives

- Family business consultants and life coaches

Step #3: Follow-up actions

Typically, a set of action-based to-do steps results from a family meeting. These actions often need to be turned into formal projects, with milestones and clear expectations about who will be accountable for specific steps. The third-party facilitator or family members can be responsible for mapping out how to follow up after the family meeting. It is also worthwhile to specify how the subsequent actions will be tracked and reported back to the family.

Step #4: Assessment of outcomes

After starting with particular goals and then identifying what actions need to be taken to achieve those goals, the final step entails determining the degree of success attained.

Based on the assessment of the outcomes, new actions to help reach the stated goals are identified. These can be a refinement of current actions or a different approach entirely. Moreover, the results achieved always factor into the goals and agenda for the next family meeting.

Keep in mind: Every family has its own special dynamics and traits. Thus, the process described here can be modified depending on the aims of the family.

This report is an executive summary of our e-book.
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Paul and his firm act as a personal chief financial officer for clients, bringing together a distinctive multi-disciplinary wealth management process with specialists that integrate retirement planning with investment management, mitigating taxes, protecting assets, and passing on a legacy for family, community and causes to make a greater impact.

In 1983, Paul earned a pioneering designation as a Certified Financial Planner (CFP®), and then ChFC® (Chartered Financial Consultant) and ATA (Accredited Tax Advisor). He earned his MBA in Finance from the Simon Business School at the University of Rochester. His extensive education includes MFP (Master of Science in Financial Planning) and MSFS (Master of Science in Financial Services). Paul has been presented with the Albert Nelson Marquis Lifetime Achievement Award by Who's Who.

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