

## Beyond the money

# Is your family as well prepared as your estate?

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## It's not all about the money. It's also about the family's preparation to receive it.

Financial advisors and estate planners have had great success developing strategies and plans to grow and prepare assets for the eventual transfer to the next generation. However, they frequently miss an important step — preparing the family.

### Why is it important to get the family involved?

Many families do not realize that having a solid estate plan is only part of the equation necessary to ensure a successful transfer of wealth that will benefit those who receive it. Wealth holders want their children, and those they leave their estate to, to thrive. Unfortunately, even the best financial strategy cannot shield a family (or its assets) from issues and conflicts that often arise among family members after the passing of wealth to those unprepared for all that inheritance encompasses. It is often these issues of family dynamics — not technicalities in the estate plan documents — that if left unaddressed, are more likely to wreak havoc on family harmony and erode the money being successfully stewarded to the next generation.

### What can a family do to prepare?

Families need to start a new conversation about wealth, beyond the money — a conversation that fosters a smooth and successful wealth transfer. Families who communicate well, trust each other, share a vision of the purpose (and mission) of their wealth, and have clearly defined roles for the heirs, are more likely to avoid the pitfalls experienced by *unprepared* families.

### How can a family start the conversation?

Conversations can begin informally, perhaps around the dinner table with all family members present, including spouses. Here are some tips to get the conversation started:

- Pick a topic of interest to everyone, such as the story behind the family wealth
- Talk about philanthropy — it's a great way for children to learn financial responsibility, so explore ways to teach the younger family members to give back
- Don't let family dynamics get in the way
- Disagreement among family members is natural and will occur, so don't get discouraged
- Be sure to allow all voices to be heard without judgment or disruption
- Listening is as important as speaking

Over time, conversations will evolve and deepen as the family becomes more comfortable with open communication. The informal conversations will evolve into more formal "Family Meetings" where the family will work with a specific task in mind, such as a discussion about the upcoming responsibilities as a trustee and/or beneficiary.

## Why make time for family meetings?

Family meetings are one of the best tools a family has to promote meaningful and healthy conversations, while providing opportunities for family decision-making, problem-solving, education, encouragement and cooperation — all of which helps to achieve lasting family harmony. Family meetings also help ensure the family's legacy lives on through the generations. At family meetings everyone is considered an equal and important to the family's

growth; and family members are encouraged to contribute according to their age and ability. Successful meetings are grounded in respect and caring for all present.

Through conversations beyond the money, channels of communication are opened, trust is strengthened, and families are better prepared for the responsibilities that come with inheriting wealth.

**\*The views in this document are those of the author.**

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