Family & Legacy

Navigating Crucial Conversations to Enrich Your Most Important Relationships

BALENTINE

Dear Families,

In our deeply personal business of wealth management, we're often asked, "What is the most important piece of advice you give clients as they plan to transfer assets to the next generation?"

While it's natural to answer this question with a focus on practical matters such as investment strategies, estate plans, or asset classes, we believe it's essential to first consider the emotional and psychological implications of wealth and legacy. Nowhere do these subtle but powerful forces express themselves more prominently than within the family unit.

The fact is, our industry, and even clients themselves, often make the mistake of focusing on how many basis points they've earned or what a given asset manager did the previous quarter. While these tactical matters are important, we believe one factor above all contributes to success or failure in transferring wealth and transmitting core values across generations: communication.

We see time and time again that successes or challenges with wealth transfer can almost always be traced to the strength or weakness of communication within the family, particularly in the clarity of vision and the communication style modeled by the primary wealth creator. Regardless of any towering success he or she might have achieved in business, philanthropy, or wealth creation, many of these clients still grapple with how to create meaningful dialogue with those closest to them.

They often have a natural fear of transparency, may not have formed a clear definition of what "legacy" means to them personally, or may be uncertain about what to communicate, and when, to various family members.

The stakes are incredibly high. Families with a lack of communication tend to struggle intensely with intergenerational transitions, and their wealth and mutual trust can suffer as a result.

On the other hand, families that are committed to practicing clear, authentic, consistent communication—even if it means stepping outside comfort zones—equip themselves to navigate these transitions much more smoothly. They can be more resilient when challenges do arise and work collaboratively to ensure the family's wealth and core values continue to flourish and evolve over time.

Here we have sought to capture some of our essential thinking on communication, and to offer practical ideas for successfully navigating deeply personal, highly crucial conversations within your own family. You'll find that each section explores the more human side of wealth and legacy.

Our sincere hope is to help you reach new levels of alignment, authenticity, trust, and transparency with loved ones, and to support you as your wealth and your unique definition of "legacy" evolve.

While we cannot claim to remove the age-old complexities that come with family wealth, we hope these tools and tips—together with guidance from your most trusted personal advisors—will help you increase resiliency, avoid getting lost in a desert of riches, and approach these conversations with a renewed spirit of hopefulness and intentionality.

Best regards,

Robert Balentine

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Navigating Crucial Conversations Within Your Family

Conversations regarding wealth, wealth transfer, and legacy can be among the most difficult a family will ever face. Feelings can be hurt, decisions can be questioned, rifts can be formed, and wealth built over years can be fractured or squandered. In fact, roughly two-thirds of wealth transfers fail because of poor communication. Publications worldwide, from *Barron's* to the *New York Times* to the *Chicago Tribune* and even the *Harvard Business Review*, have taken on the topic of how to talk about money within the family unit. While daunting, conversations about these topics present opportunities for wealth creators and their families to reach new levels of mutual understanding and achieve even greater success together.

Above all, know you're not alone in the struggle.

In a 2017 *New York Times* article[1], columnist Paul Sullivan described family conversations about wealth as a "famously difficult task." If you scan the wealth management body of literature, it's not uncommon to hear upward of 80% of wealth creators find it difficult to have personal conversations about wealth and to be transparent with their heirs. We see this over and over in our own practice and work closely with clients to overcome their reluctance to discuss these topics early, often, and openly. In fact, we recently conducted a survey that reinforced just how much guidance families crave in order to manage these conversations successfully.

View these dialogues as a journey over time, not a one-and-done conversation.

A 2019 CNBC article[2] reiterates this is not a single conversation, but one that needs to be repeated and refined at various ages and stages as a family evolves. It can, and often should, be a slow process, especially when children are involved. In fact, it's a conversation you may wish to intentionally throttle depending upon factors such as age or a family member's readiness to delve into certain topics. That said, we strongly urge a bias for action and transparency rather than waiting until a major life event forces a discussion.

Focus first on alignment between the heads of your household.

While no two people hold the same views on wealth and legacy, it is essential these two parties find common ground before talking with children and other heirs. We can't overstate the importance of this alignment at the head of the family. How does this manifest? One of the most obvious ways is for both parties to be informed and engaged. This means not only attending annual estate plan reviews ("the big meetings") but being willing to tune into details about asset allocation, quarterly performance, charitable planning, and other aspects of the family's wealth.

We have worked for many years with a couple whose views are polar opposites when it comes to discussing wealth with their children. One parent (the primary wealth creator) believes, "My children are going to have to learn like I did, by trial and error. Nobody taught me, but I figured it out." In contrast, the other parent believes in more active education and support of their children. We've been working to bridge the gap between them, and it's incredibly gratifying to see the two become more in sync and present a genuinely unified front to their children.

Their efforts to understand each other will have immeasurable long-term value, and they are now much more prepared to bring children and other family members into conversations about wealth transfer and legacy.

Cast aside assumptions and seek deeper empathy for others in your family.

It's human nature to assume we know certain things about the people closest to us. In raising our own families, we've certainly been guilty of making assumptions. But very often, the people closest to us may have certain beliefs, fears, or dreams that are very different from what we might believe. For instance, that seemingly disengaged teenage son who never asks questions about your business may harbor a deep desire to learn more about your philosophies. Or you may believe your two daughters, who are so close, would never fight over money, property, or jewelry. As in any aspect of life, it's important to recognize and question our assumptions about others so we can have more productive relationships and meaningful conversations.

If you aren't doing so already, make intentional efforts to see the world through others' eyes, whether your spouse, children, in-laws, or others. This comes from spending time together, observing, asking questions, listening intently without judging, and thinking more spherically about those around us. Taking time to truly understand what makes a person tick will foster trust, reveal new veins of conversation, and make wealth—and even other topics—easier to discuss. In short, if we leave ourselves room to be enlightened and surprised by those around us, magic can happen. We can name and dispel misconceptions, allay fears, and find even more common ground.

Lastly, think about the context in which each family member grew, or is growing, up—the "economic culture" which created their formative experiences. Some helpful questions to consider:

- **What was/is happening nationally and globally during their youth?** Did one survive the Great Depression? Another enjoy the heydays of '80s excess? Did another witness financial and/or emotional devastation during the 2008 Financial Crisis? Is another growing up during an era in which widespread news of environmental concerns may greatly influence which charities they choose to support in adulthood?
- **Are they new immigrants to the land of wealth or are they natives?** Dr. James Grubman, an expert in the psychology of wealth, friend to our firm, and author of *Strangers in Paradise: How Families Adapt to Wealth Across Generations*[3], developed this powerful metaphor to describe how individuals come into significant wealth. "Immigrants" were raised in another culture (i.e., not wealthy) and have journeyed to a new culture of prosperity. They have firsthand experience with enormous transitions and generally possess high emotional tolerance for risk. "Natives" may feel envied, but not valued, and may have scars or resentments from being seen as a "trust fund kid."
- **What about family dynamics such as birth order or blended families?** Is a child intimidated by a highly accomplished parent, or afraid to speak up about unique ambitions or career choices they fear might be met with disapproval? What is the dynamic with in-laws, and how does the world appear through their eyes?

Show and encourage transparency and vulnerability.

The topics of wealth and legacy can be tough to discuss in even the most communicative families. For one, they force us to confront mortality and who we are beyond our money and property. They also get to the heart of how your family measures success and the legacy you wish to leave behind. They lead to those seemingly dreadful conversations of "who gets what, when, and why" at the time of your passing. But they also present opportunities for you to embrace what we think of as "radical transparency" and to be more vulnerable.

Not sure how to start? We've found a few simple conversational prompts can help facilitate rich conversations between parents, siblings, and others in the family:

What are your desires and life ambitions relative to money? Beyond money?

What hopes and fears do you have about the future?

What would make the conversation more meaningful to you?

How do you define "wealthy"? What differences do you see between wealth and legacy?

What are you grateful for relative to our family's abundance? What does it enable in your life and the lives of others?

What questions do you have which you may be afraid to ask?

What causes are important to you? What would you like to improve in the world beyond the home and family?

While we don't believe it's possible, or even advisable, for every member of a family to think exactly alike, we do believe wholeheartedly in approaching these conversations with bold honesty and deep empathy. By being intentional and willing to perhaps step out of your comfort zone, you can create an environment of trust, enable future conversations, and create an emotional legacy that transcends generations in your most precious estate: your family.

What “Legacy” Means to You and Yours:

Define, Document, and Share Your Vision

Conversations about wealth and legacy are naturally entwined with the concept of our mortality. Because of that, they naturally beg deep, existential questions about the heritage one wishes to leave behind.

While a legacy is something we each create naturally day in and day out in the course of living, achieving a certain level of wealth and success enables wealth creators and their families to think about legacy in a particularly aspirational manner. But many of the most financially successful families we encounter don’t pause to think about legacy in a structured way. Taking the time to formally define and communicate your legacy can be one of the most important steps you take in planning and managing your financial and family affairs.

At its most essential level, a clear articulation of your legacy can help you and your heirs answer these profound questions:

Who are you beyond your wealth?
How do you wish to be remembered?

In working with clients, we see an array of attitudes about legacy. Some think it’s unnecessary to define because their loved ones, advisors, and business associates should “just get it” by observation and osmosis. Some see legacy as one and the same as their financial assets, while others view it more broadly. It is this broader view we actively encourage as we work with clients.

Much like a company’s culture is defined by how employees describe it to their friends or neighbors, a personal legacy is similarly defined by how others describe us when we aren’t around and even well after we’re gone.

Legacy is also a form of story-making. Since the dawn of mankind, humans have passed down stories. What are the stories our grandchildren will tell about us to their children? It’s easy to define someone’s legacy by a tangible remembrance of who they were: Andrew Carnegie’s 1,600+ libraries, a name on a building, an endowed scholarship or chair, a name etched on a donor wall. But more difficult to define are their values and spirit: Did they keep their word? Did they quietly help others without expectation of recognition? Did they live an ethical and moral life? Did they champion certain causes for deeply personal reasons?

Some of the most powerful legacies of the ages—those created by national heroes, founders, writers, explorers, human rights activists, religious figures, and others—remind us the most powerful legacies are not about money at all. By thinking in this creative and objective way about legacy—defining what it means to you and communicating it sooner versus later—you have a powerful opportunity to strengthen relationships and provide guide points for decisions you or your heirs may make within and beyond your lifetime.

Whether you're already operating with a mindset of legacy (versus mere wealth) creation or have never given your legacy a serious thought, there are steps you can take to craft the story of your own legacy and communicate it to those closest to you.

Above all, don't be afraid to share your own fears and aspirations or to admit you don't have all the answers. Starting a dialogue sooner than later, while being as transparent as you feasibly can, is what matters most.

Begin to formally define your unique idea of "legacy."

We use this simple framework with clients to spark fruitful conversations.
First, think in present terms, asking yourself these questions:

What are the non-financial hallmarks of our family and our history that we would like to retain, document, and pass on to others?

Are there aspects of our heritage which could be modernized or reconsidered altogether?

How have our values evolved? Are there newer ideas or focus areas we have begun to embrace or may want to explore further in the context of legacy?

What inspires true happiness in me? What about those closest to me?

How important is it to me to be able to make an impact and measure it?

Are there religious or spiritual beliefs I want to underpin my definition of legacy?

What am I most grateful for relative to wealth as an enabler of personal growth and positive influence in my life and the lives of those around me?

Look to the future, allowing yourself to think expansively about the idea of legacy:

What do you want to see happen beyond the preservation of wealth or greater financial success?

Who are you besides your money?

What stories do you want future generations to tell about you?

What emblematic "moments that mattered" or seminal life events do you want others to recall about you?

What is the non-monetary imprint you wish to leave on your family and community?

Document your ideas about your legacy in the medium that suits your style. You may be a highly astute communicator yet feel squeamish or uncertain of how to go about this. That's normal. If it feels silly or self-important to you, ask for help. Is there someone who understands you and is comfortable writing? AARP suggests this person could be a future or present caregiver or trusted confidante in your life.[4]

You can also borrow a page from business. As you likely know firsthand, businesses put forth variations of their legacy story all the time—in the form of mission-vision-values statements, operating principles, brand purpose statements, or manifestos—to guide business decisions, shape culture, demonstrate ethos, and even influence institutional investment policies. Just as your definition of legacy should ideally do, these examples rise above transactional considerations to capture the vision and animating spirit behind a leader or organization. Some tips which might make the process more fun and fluid for you:

- **Remember there is no one "correct" format.** It can be as short as a letter or as long as a book.
- **Consider an ethical will or letter of wishes.** Many templates and examples are available online and can make the process more approachable.
- **Consider including a personal history along with your future-facing wishes.** Together, these can help you clarify your own thinking and illuminate you as a person for both present and future generations. You may wish to draft your own or draw from countless online templates or books, which contain prompts for capturing life histories and future wishes.
- **Don't be afraid to get creative.** A ghostwriter might be of help, and we've had clients go so far as to publish booklets or full books for both private and public consumption. As CNN noted in a 2017 piece[5], leaving a legacy video as part of a digital time capsule is another option to consider. The video can range from simple production, such as speaking unscripted into a camera or a basic motion story (using popular software which marries photos and captions), to more advanced productions that involve a small crew.
- **Be as explicit as possible.** This allows you more control over your own narrative and gives your heirs more confidence in understanding and honoring your specific idea of legacy.

When is the right time to share your legacy story?

Our thinking here is simple: share it, sooner than later, in your lifetime. There's no need to wait until a major life event such as a catastrophic illness or death. Sharing it while you are living means it can be appreciated and discussed by those around you. It can be a powerful tool for creating alignment and empathy. It also gives you room to revise or refine your legacy definition if you like. As far as when to share this with others, a family meeting or gathering might present an ideal opportunity.

Regardless of how and when you choose to shape and share your idea of legacy, its substance is what matters most. Just as your wealth management moves can have long-lasting positive implications for your estate, your legacy story can be a North Star that gives you, your heirs, and your most trusted advisors a way-finding tool for years to come.

Planning and Conducting Productive Family Meetings

Perhaps you've already established some routine with family meetings, or maybe they're something you've only considered in passing. Regardless, it's important to understand the purpose of family meetings and why they matter. We believe routine, thoughtfully planned family meetings are essential for several reasons as they:

- **Foster trust and transparency, and provide a venue for open communication free of judgment**
- **Provide a meaningful structure for educating the family's key wealth stewards on various topics**
- **Serve as a prompt for ongoing dialogue around family values**
- **Provide an ideal occasion to gather and engage family members who may be geographically dispersed**
- **Present an opportunity to create memorable experiences for the family**

Countless experts in the field of wealth and legacy agree on the importance of what one might call the almost-sacred ritual of the family meeting. Dennis Jaffe, a sociologist and leading researcher and consultant in family wealth, has built a career studying what he calls the "100-year family." These are families who have successfully maintained wealth across three generations. What does Jaffe see as the common thread across these families? *They stay united by being better at communicating than other families.*

He observes that they focus foremost on investing in the family versus the business, they create learning opportunities within the family, and they routinely conduct family meetings that are facilitated (or at least attended) by highly trusted outsiders. In a 2019 *New York Times* article[6], he explains: "To keep this entity together, they have to develop a respectful, positive, useful way of working together. They have to collaborate because there's going to be conflict and stress." And we believe family meetings can be one of the most powerful manifestations of collaboration.

While the logistical details—the agenda, the location, the players—certainly matter, what matters most is to begin with the intentions of advancing trust and open communication. With that as your guide, the details will present themselves more readily. If you're not sure where to start or if you're looking to refresh your approach to family meetings, we've found that exploring the following questions can serve as a helpful starting point.

What cadence works best for you and your loved ones?

Depending on the nature of your business operations, the location and age of your family members, and other factors, a certain schedule may naturally work best for you. For instance, an annual meeting might be too infrequent, whereas quarterly or semiannually might be ideal. We have one client who conducts a family dinner meeting each Sunday. That works well for him, but for another family, a weekly meeting may not be sustainable. For most families, a weekly family meeting is impractical except when everyone is still living at home. But for families with children who've not yet left the nest, this is an excellent way to instill the importance of open communication from an early age.

Who can objectively help plan and moderate your family meetings?

Ideal candidates may include your wealth advisor or other trusted advisor, or a certified facilitator well versed in areas such as family governance, family dynamics, intergenerational wealth, family business, or similar. It's also important to consider how they're perceived by others at the table, and whether they can truly be unbiased. Regardless of whom you choose, we don't typically advise that it be someone in the immediate family or the head of the household. That said, we urge clients to be mindful about which parts you delegate. For example, opening or closing remarks or segments of the discussion that are more personal might be best handled by you, personally—so that you're not seen as outsourcing the heart of the conversation.

What input gathered from family members can help to inform the agenda?

Ask each of them how much detail they want to hear at the meeting. You can also get their input on the ideal location and agenda. This information will help you and the facilitator tailor the topics, and it gives each person a voice in what will be covered. This step ensures the agenda is not a surprise, and it can go a long way toward creating a more open and meaningful gathering—whether it lasts three hours or three days.

What neutral setting and activities will foster trust and a sense of fun?

While it may be tempting to meet in your office or home, certain family dynamics can make this problematic or even intimidating for some of your participants. We suggest a fun, relaxing, or even educational setting that's viewed as neutral territory. The most fruitful family meetings include elements of fun and downtime, during which no money or business matters are discussed. This could be anything: a hike, a movie, an outing to a museum, an improv lesson, an art project, an interesting speaker. The possibilities of "how" are endless; it's the "why" that matters here.

How can you plan ahead to navigate conflict or an imbalance in power dynamics?

While you can't always prevent or control conflict, we believe it is possible to anticipate and channel it. There are several ways to manage this. A few examples include:

- **Drawing on your "connector" personalities, if needed.**[7] These are your peacemaker types who have a natural knack for closing the divide between members of your family.
- **Setting some ground rules at the beginning of a meeting;** you can even build these together. These might include rules such as "assume noble intent" or "try to avoid cross-talk."
- **Borrowing tools and tactics from mediation and conflict resolution pros.** These can include stepping out of the meeting to talk one-on-one if things get heated, or providing structured, uninterrupted speaking time during which each attendee gets a few minutes to share what they want from the meeting and any hopes or concerns they may wish to voice.

Should you hold a series of meetings across key topics?

If one longer meeting isn't your style or isn't feasible, consider planning a series of meetings around specific topics such as mission, values, investing, governance, estate planning, etc., and bring in a subject matter expert for each topic. Consistent opening and closing elements across each meeting can help them feel like part of a cohesive whole.

How can you get creative?

This can apply to the invitations, the content, the follow-up—virtually any aspect of your meeting. Sometimes we use fun icebreakers, quizzes or games, or an inspiring video. Perhaps you can start with a personality quiz that reminds each other of your unique thinking styles. Another option is to consider a guest speaker who will resonate with attendees. For instance, if your family is particularly involved with a given cause, invite a guest speaker who has expertise in that area. If your family is interested in sustainability, invite an expert in ESG (environmental, social and governance) investing. If several of you love art or history, ask a curator or historian to break up the weightier business and financial content. If you love movies or books, take a few minutes to do a "go 'round" and share recent favorites. The possibilities are endless, but the primary goal is to create trust through improved communication.

No two families are alike. However you choose to approach them, family meetings present a unique opportunity to bond and get all members on the same page with equal information about your wishes and functional aspects of the estate. Whether you've already hit a good stride with family meetings, are looking for a way to get started, or need help structuring an agenda, our team is happy to provide suggestions tailored to your unique needs.

Complex Constellations:

Managing Wealth and Legacy between Siblings, Blended Families, and In-laws

In approaching virtually any matter related to wealth and legacy, a few family constellations are among the most important to consider:

- **Siblings**
- **Blended families**
- **In-law relationships**

These relationships can be among the richest, most influential, and most complicated of our lives. In considering even basic aspects of your wealth and legacy, they warrant deep forethought and careful planning. At the same time, they present unique opportunities to foster closeness and a deep sense of stewardship and trust across the entire family.

Siblings: Life's Longest-Lasting Relationships

Questions of how to handle the division of wealth and responsibilities between siblings are among the most common dilemmas we encounter in serving families. These questions can range from how you divide physical assets such as property and jewelry, to the roles children play (or do not play) in your business and estate affairs, to how to treat children with vastly different personalities, needs, or professions.

In planning any details related to siblings, we urge clients to bear a few things in mind:

Sibling relationships are often the longest-lasting relationships of our lives.

In most cases, sibling relationships outlast parent-child relationships as well as marriages. This might seem obvious, but it's fascinating how rarely this reality dawns on many of us.

In a recent meeting with a client, we were talking through the mechanics of his estate plan. Part of his plan involves his brother, as well as his own children. At one point, he paused with an almost-astonished look; he said, "It just hit me that I'll soon have known my brother for longer than both of my parents lived. Someday my kids could be sitting here saying the same thing. I want to get this right."

While they're never perfect, sibling relationships—if nurtured and supported—can be among the most consistent, stabilizing, and enriching relationships in a person's life. Siblings can celebrate each other, advise each other, and support one another through some of life's greatest trials (such as an illness, divorce, or loss of a parent or other loved one). While no parent or advisor can fully predict the future or the behavior of children, they can take steps to minimize strife or confusion and set these relationships up for success and growth long after the parent is no longer present to offer guidance and mediation.

It takes deliberation and transparency to manage against resentments and unintended consequences between even the closest siblings.

We recognize this is far easier said than done.

For example, you may be quietly struggling with determining which of your children should be the executor of your estate. Or you may have already named one of your children the executor without asking them if they want that responsibility, or without realizing how devastating it will be to your other children to learn their sibling has been named the executor. The easiest way to avoid landmines is to do 360-degree scenario planning, question your own assumptions, be as transparent as possible with all your children, and encourage your children to be radically transparent with each other and with you.

Don't underestimate material things and their ability to spark ire or confusion.

We've had many clients tell us their children "would never fight" over a piece of jewelry, an antique desk, a family portrait, or great-grandpa's original immigration documents. We've had other clients assume one of their children wouldn't possibly want to be bothered with inheriting a vacation home because they live hundreds of miles from the home or would never have the interest or money to deal with its upkeep. Some of the fieriest debates and deepest hurts we've seen occur among families were related not to money itself, but to material assets and a lack of communication about their disposition.

Whatever facet of estate and legacy you may be pondering, your advisors can be a tremendous resource in helping you anticipate and avoid problems among your children.

Blended Families: Ties that Bind Through Blood and Marriage

Blended families can present wonderful opportunities to imbue fresh perspectives into your planning. Discussing wealth and legacy together can also provide an intimate and unmatched opportunity to strengthen understanding between family members. It's critical to find ways to inform, educate, and engage step-siblings. It's also important to consider factors such as former spouses and their own advisors, attitudes, and roles as potential detractors or stewards for the family. Blended families, like sibling dynamics, also naturally beg the question of what is fair versus what is equal.

...we urge clients to face and even embrace these conversations rather than avoid or dread them.

Whatever the exact details or whichever approach feels right for you, we urge clients to face and even embrace these conversations rather than avoid or dread them. A 2015 *Bloomberg* piece[8] reminds us that two in five marriages are remarriages, a third of blended families report conflicts among potential heirs, and only half of wealthy blended families have had open discussions about inheritance.

In-Law Relationship: Accounting for Diverse Backgrounds

As your family expands through marriage, in-laws will naturally come into your orbit. While some may remain in the background (other than the occasional holiday gathering), others may have a stronger influence in your life and perhaps your business.

One important factor we urge clients to consider in planning is the background in which those in-laws grew up, as well as their current values around money and legacy. Perhaps they've had life experiences similar to yours, or perhaps their lives have been astonishingly different. Regardless, it's important to take the time to understand their world view and factor it into your planning.

For example, earlier we talked about the idea of "immigrants" to the land of wealth versus "natives." Dr. James Grubman, an expert in the psychology of wealth, uses this metaphor to describe how individuals come into wealth. Generally speaking, immigrants are new to a life of prosperity and may have experienced significant hardship or uncertainty. They may not have the depth of experience with wealth management, legacy, and stewardship, and may even be intimidated. "Natives" have generally been raised in a setting of affluence or plenty and thus have a very different set of experiences.

Whatever the case may be, it's important to listen, observe, empathize, and wherever feasible, seek to engage in-laws in your family conversations around estate management and legacy. For example, find ways to include them in family meetings. While you may be reluctant to involve them too deeply, they can become invaluable allies in continuing the family legacy and passing it down to future generations. By looking for select opportunities to bring them into the fold, you can give them a deeper sense of your family fabric and the causes closest to your heart, understand them better in return, and enable them to become more effective, more engaged stewards of the wealth they or their descendants may one day inherit.

How do you choose between fair versus equal?

So many discussions around wealth and legacy come down to the all-important distinction between “fair” and “equal.” As we talk with clients about siblings and blended families, it’s common for parents and wealth creators to focus on a mathematically “equal” division of roles and assets within the family.

While it’s natural to conflate the two concepts, they do differ in important ways. Much like the notion of “spirit of the law versus letter of the law,” it’s important to look beyond mechanics and numbers to what is right at a human level when considering how to treat various members of your family. As a firm, we believe fairness is more important and the higher ideal to achieve when it comes to wealth planning. Equality is not unimportant. But, by comparison, it’s a tactical means to an end, which is less elevated than the notion of fairness.

The idea of “equal” can also be problematic if followed too doggedly.

For example, we have clients with children whose chosen professions and life needs differ greatly. In one case, a sibling has chosen to become a teacher rather than join the family business. The teacher will have an income that’s different than her siblings, who are executives in the family business.

In another case, a client has three adult children. Two of them are presently in good health, while one of them has a chronic medical condition which will place financial strain on the child for life.

In both cases, we found that the parents were jumping to conclusions about how to divide the estate and how to involve the children in planning discussions. With best intentions, both sets of parents were overly focused on being “equal” in how they treat their children. But, as we’ve urged the parents to talk openly with their children, they’ve realized their children had surprising views on how the family wealth should be managed and divided.

Both families have been able to reach more nuanced agreements about what is “fair” regarding distribution of assets and running of the family’s affairs. The teacher wants to be educated about the estate and wants to be included in family meetings and other milestone events. She also believes her siblings should be rewarded for managing the family business. The two healthy siblings are concerned about the healthcare costs their brother will face in the future, and they want to be far more generous in supporting him than the parents ever realized.

What will help you to talk it out?

In the uniquely complex relationships that exist with siblings, blended families, and in-laws, don't fear transparency and don't be limited by assumptions. Based on decades of working with clients, we believe that more than anything, a lack of transparency and bad assumptions can have far more toxic consequences within families than genuine attempts to have open conversations and do the right thing by one another.

Below are a few examples of questions that can be used to prompt conversation and prevent miscommunication within these relationships:

Do the in-laws within your family know the early history of your family and how you want to convey that to future generations?

Have you been as specific as possible with your children or in-laws as you talk about how to divide assets such as jewelry, furniture, collectibles, or a cherished vacation home?

Have you taken adequate measures to support the future caretaking of physical properties you plan to convey? Do your loved ones know about provisions you've made, or have you shared your ideas and suggestions on how the properties should be managed?

Have you talked with your children individually and together about hopes or fears they have about the handling of your estate? For instance, do they assume you plan to gift them the family heirlooms they hold dear? Do they fear speaking up about wanting their grandmother's monogrammed silver because their brother or sister might view them as greedy or acquisitive? Do they secretly fear inheriting a vacation property because of the burden of caring for it? Are they surprisingly indifferent regarding certain valuables?

Are you leaping to conclusions or making mistaken assumptions, or can you ask your children, stepchildren, or in-laws for more insight into how they'd like to see your estate affairs handled?

Questions like these and countless others can be tailored to reveal new insight into those around you and provide valuable data points as you craft and refine your plans. When in doubt, talk through your fears and concerns with your advisors. They can help you navigate these conversations with full awareness and empathy, help you anticipate conflict, aid you in creating greater resiliency and closeness within your family, and ultimately extend the longevity of your wealth and legacy.

How can we help you craft your own approach to wealth and legacy?

Whether you need help thinking through the mechanics of family meetings, want guidance on the best way to document your ideas on legacy, or need an objective sounding board for scenario planning, our team is here to help.

In keeping with our longstanding ethos of partnership and providing clients greater peace of mind, it would be our privilege to discuss these ideas with you and your loved ones. Just as we connect each of our client's unique vision with investment strategies which directly support that vision, we can help you develop an approach which reflects who you are beyond your material and financial assets and gives you actionable ideas you can use now and over time.

Disclosures

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