

# How Will Your Story Be Written?

From success to significance –  
The creation of *Legacy Families*

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**LEGACY FAMILIES WILL AVOID THE COMMON OUTCOME OF “SHIRTSLEEVES TO SHIRTSLEEVES IN THREE GENERATION” BY CREATING PROCESSES AND STRUCTURES WHICH ENABLE THE FAMILY TO REMAIN SUCCESSFUL FIVE GENERATIONS OR MORE AFTER THE INITIAL WEALTH CREATOR.**

**THE “BUSINESS OF THE FAMILY” REQUIRES THE SAME TYPE OF STRATEGIC PLANNING AS THAT OF THE SUCCESSFUL FINANCIAL ENTERPRISE AND THE RETURN ON THE INVESTMENT WILL BE LIFETIME.**

**CHARACTERISTICS OF LEGACY FAMILIES**

**CAPACITY** (Equal deposits in all the capital accounts which make up the total wealth of the family.)

**HUMAN CAPITAL**

- Effective parenting/grandparenting
- Communication
- Collaboration
- Negotiation skills
- Conflict resolution models
- Leadership Training
- Values Clarification
- Understanding the strengths of personality differences
- Spirituality
- Health

**INTELLECTUAL CAPITAL**

- Appropriate educational experiences
- Career choices
- Mentoring
- Governance
  - Responsibilities of a mentoring trustee
  - Responsibilities of an appropriate beneficiary

**FINANCIAL CAPITAL**

- Acquisition of money
- Managing and investing money
- Transferring money
- Understanding risk
- Business operations

The psychology of money  
Financial parenting

**SOCIAL CAPITAL**

Philanthropy

Family foundations  
Donor advised funds  
Support Organizations  
Community Foundations  
Check writing

**COMPETENCY**

Effective parenting and grandparenting skills

Reasonable expectations  
Motivation formula  
Good vs Responsible  
Independent decision making  
Wealth transfer strategies  
How much  
When  
Trusts  
Trustees

O.P.C.

Adult to adult....the four magic words

Financial literacy  
Satisfying career choices  
Productiveness  
Mentoring/coaching programs  
Leadership skills

**COMPASSION**

Respect for diversity within the family

In laws vs Outlaws

Appreciation of good fortune

“Entitlitis” avoidance

Philanthropic involvement

Family foundations

Operating foundations

Donor advised fund

Junior boards

Grandparent/grandchildren projects

Community involvement  
Spiritual pursuits  
Empowerment from each family member

**CONNECTION**

Well developed communication skills  
Family meetings/family vacations  
Shared long range mission/vision statement  
Respect for their heritage  
    Video interviewing  
Functional governance structures  
    Family council  
    Family advisory committee(s)  
    Family board  
Rituals and celebrations  
Fun and laughter

**The tools and techniques of legacy families include**

- A documented strategic plan which includes a vision statement and family constitution
- Lifetime gifts that create opportunity but don't remove the challenge
- Gifts at death that reward effort, achievement, moral standards and strong values
- Flexibility in choices
- Recognition of the inevitability of change
- An enduring family work ethic
- Philanthropy and public service

**Legacy families ask and resolve important questions like...**

- What is the purpose of the family wealth?
- How can the wealth of the family be used to increase human, intellectual and social capital for future generations?

- How much is enough?
- How will success for children and grandchildren be measured?
- What do you want for your children? Grandchildren?
- What do they want for themselves?
- How will the family help each family member achieve their personal dreams and aspirations?

The wealth planning of a legacy family member focuses on such questions as...

- If there were no estate tax imposed, would you leave all your wealth to the children? *“Money brings some happiness. But after a certain point, it just brings more money.”* Neil Simon
- Does your estate plan reinforce core values or just shift money?
- Will the plan encourage dependence and reliance or will it empower and liberate?
- Will the plan encourage your beneficiaries to take risks? To achieve, rather than to consume?
- Will the date of your death become the date of their retirement?
- Are the individuals who have been chosen to act as trustees fully qualified to execute the responsibilities of this position and are specific wishes clearly communicated?

Some final thoughts

- How you leave your wealth is as much a reflection of who you are, as how you earned it, and likely to be remembered a lot longer.

*“Would you tell me, please, which way I ought to go from here?” asked Alice. “That depends a good deal on where you want to go,” said the cat. “I don’t care where,” said Alice. “Then it doesn’t matter which way you go,” said the cat.*

Lewis Carroll, Alice’s Adventures in Wonderland