



## Ten recommendations for preparing the rising generation wealth owner

What can be done to enhance the likelihood that wealth has a positive impact on the next generation?

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A great deal has been written on the topic of preparing heirs for the responsibilities of wealth. The following ten recommendations reflect the collective best practices from research and experience.

## 1 Define prepared

- What are you preparing your children for?
- What do you want the wealth to provide?
- What would being prepared look like?

## 2 Be a good role model

- Do your values align with your behaviors?
- Are your actions aligned with your answers in #1 above?
- Find a balance between providing common everyday experiences versus luxury lifestyle experiences.

## 3 Accept that having wealth makes you different and talk about it

- Recognize your children likely have a hunch you have wealth, and their assumptions about your vision for managing that wealth could be incorrect and impactful.
- Help children manage the social and emotional realities that can arise out of how others view them.

## 4 Foster resiliency and financial “grit”

- Create opportunities for next generations to learn about, practice with and gain experience from increasing financial responsibilities.
- Leave room for adult children to overcome challenges or obstacles on their own.

## 5 Celebrate and capture family history

- Discuss financial failures and lessons learned.
- Share about the past and the present as a way to impart information about money values and opportunities.

## 6 Make responsible money management a habit

- Utilize allowance as a tool.
- Practice saving, spending, investing, and giving.
- Remember, we learn best from figuring things out versus being bailed out.

## 7 Instill a strong “work” ethic

- Be conscientious about how you talk about work.
- Work = something challenging that requires dedication and an opportunity to contribute to a greater good.
- Find ways to include rising generation members in the activities of the family enterprise.
- Help the rising generation explore their dreams and what success means to them.

## 8 Foster generosity

- Make kindness and giving back a priority.
- Give the next generation opportunities to help other's who are less fortunate.

## 9 Question your estate plan and break the silence

- Does your estate plan align with your goals and values?
- What are your expectations? Have you communicated them to the recipients?
- Include heirs in the planning process.
- Err on the side of more communication versus less.

## 10 Let go

- Find like-minded people to provide help and support.
- Try to enjoy the journey, including the bumps along the way.

## Considerations for developing an action plan

Consider something you would like to start doing or do more of, something you want to do less of or stop doing altogether, and something you want to do better or differently. Write your thoughts in the sections below.

### Start doing or do more of:

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### Do less of or stop doing:

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### Do better or differently:

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### Who can you ask to support you and keep you accountable to your goals?

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## Recommended Reading

- *Strangers in Paradise: How Families Adapt to Wealth Across Generations* by James Grubman
- *Kids, Wealth, and Consequences: Ensuring a Responsible Financial Future for the Next Generation* by Richard A. Morris and Jayne A. Pearl
- *Raising Financially Fit Kids* by Joline Godfrey
- *The Cycle of the Gift: Family Wealth and Wisdom* by James Hughes, et al
- *The Voice of the Rising Generation* by James Hughes, Susan Massenzio and Keith Whitaker
- *A Wealth of Possibilities: Navigating Family, Money and Legacy* by Ellen Miley Perry
- *The Defining Decade: Why Your Twenties Matter, And How to Make the Most of Them Now* by Meg Jay
- *Legacy: The Hidden Keys to Optimizing Your Family Wealth Decisions* by Richard Orlando
- *Your Story: A Guided Interview Through Your Personal and Family History* by Kimberly Powell
- *Who Do You Think You Are? Aligning Your Character and Reputation* by Greg McCann



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