



The Legacy Family.... A Family for the Generations

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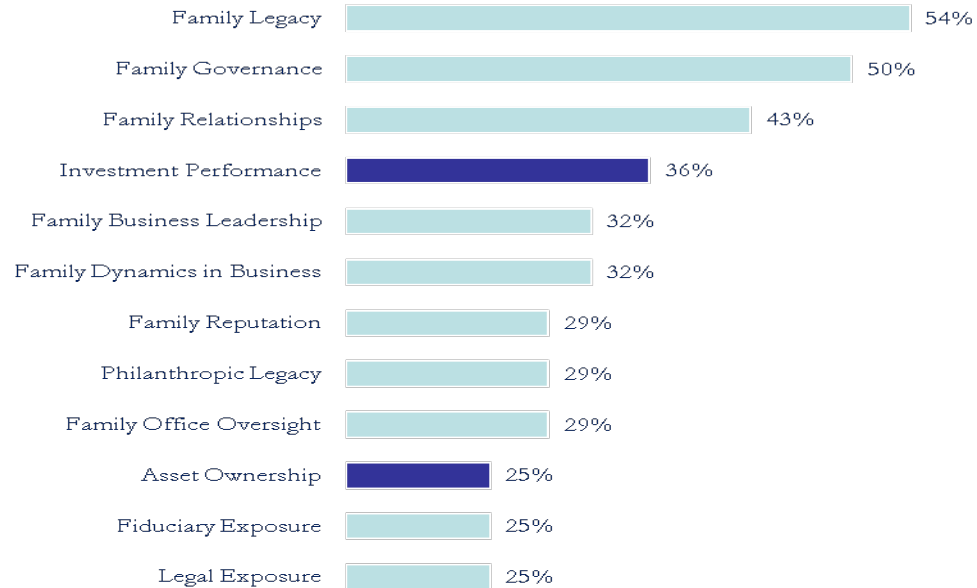
“In union there is strength”



Aesop, 6th Century B.C.

Legacy Families are families who remain productive and contributive four to five generations past the original wealth creator.

What Keeps You Up at Night?



Source: *Family Office Exchange Research; Family Office Exchange Benchmarking*

Legacy Families

Understand.....

- The “business” of the business
- The “business” of the family

Legacy Families Focus On....

Balanced deposits in the four capital accounts of:

- Human capital
- Intellectual capital
- Social capital
- Financial capital

Human Capital

- Parenting/Grand-parenting
- Communication
- Values/ Morals/ Ethics
- Collaborative decision making
- Conflict resolution skills
- Leadership training
- Team building

Parenting

- Realistic expectations
 - Whose dream is it?

Parenting con't

- Good vs Responsible
- Brat Proofing

Intellectual Capital

- Education
- Career choices
- Mentoring / Coaching
- Governance
- Rights and responsibilities of trustees and beneficiaries

Financial Capital

- Earning money
- Managing / Investing money
- Wealth transfer strategies
- Family business
- Financial parenting
- The psychology of money

Social Capital

Philanthropic initiative of the family:

- Checkbook
- Donor-advised funds
- Family foundation
- Support organization
- Operating foundation
- Volunteer service

Legacy Families Enjoy and Celebrate

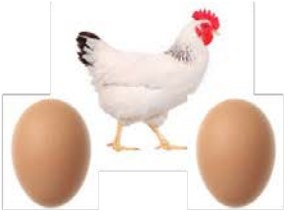
- Shared values
- Effective communication on all subjects
- Process for collaborative decision-making
- Conflict resolution skills

Legacy Families Enjoy and Celebrate

- Diversity and welcoming of new family members either by birth, adoption or marriage
- Managed expectations
- Financial competency

Generational Planning

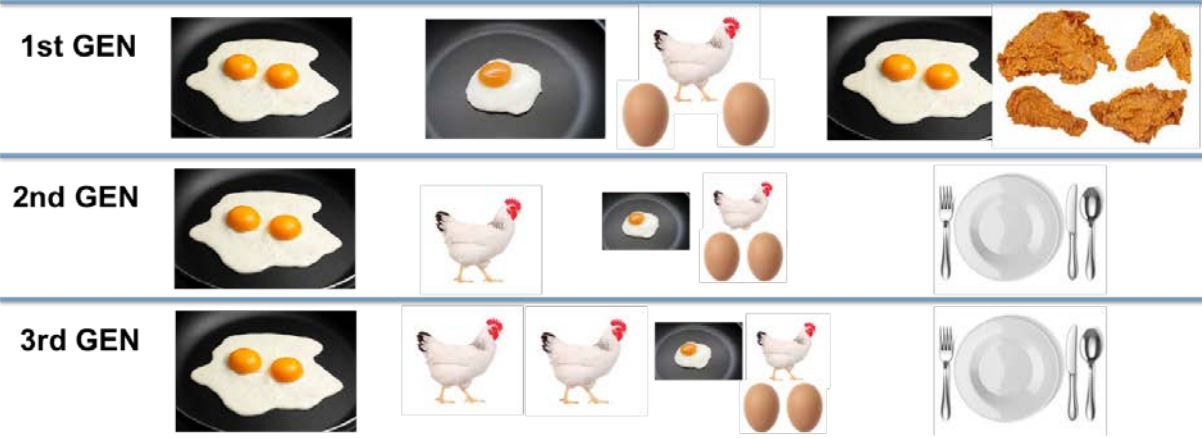
Chicken and Egg



Family 1:
"Eat the eggs"

Family 2:
"Eat one egg, raise the chicken"

Family 3:
"Eat the chicken and the eggs"



Legacy Families Enjoy and Celebrate

- Model of “work” ethic
 - Focused achievement
- Expressed gratitude
- Fun and laughter
- Heritage and traditions

Legacy Families Ask & Resolve Questions, Such As....

- What is the purpose of my wealth?
- How do I keep wealth from poisoning worth?
- How will the wealth be used to increase human, intellectual and social capital for future generations?

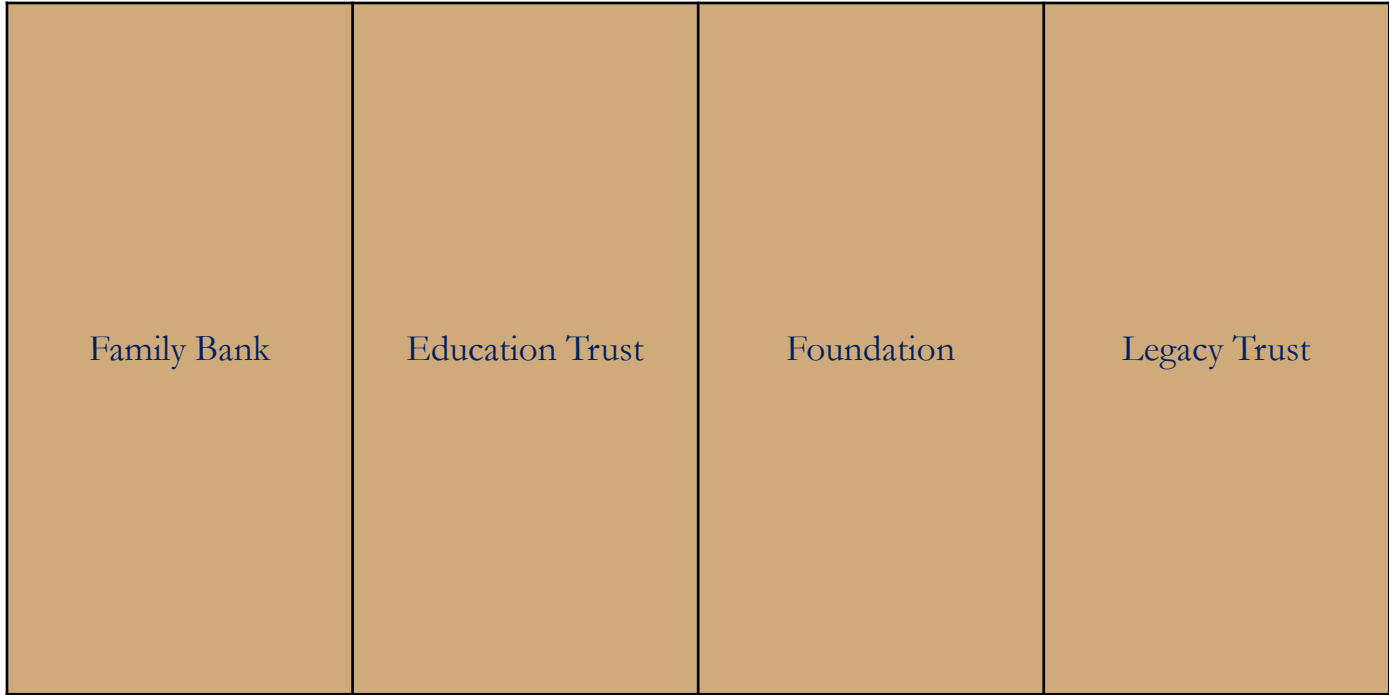
Legacy Families Ask & Resolve Questions, Such As....

How much is enough?

I want to leave to my children “enough money so that they would feel they could do anything, but not so much that they could do nothing.”

Warren Buffet, Fortune Magazine, September 29, 1986.

Birth to 18	College Years	Launching Pad
Marriage/First House	Incentive	Handicapped Child
Healthcare	Lifestyle	Miscellaneous



Legacy Families Ask & Resolve Questions, Such As....

- Am I in agreement with my parenting partner?
- Do I have a coordinated team of multi-disciplinary advisors – (my “brain trust”) who provide me with qualitative as well as quantitative expertise?
- How am I preparing the next generation for responsibly managing assets they may inherit?

Legacy Families Ask & Resolve Questions, Such As....

- Are “fair” and “equal” the same?
- Are family members who are in the family business entitled to a greater share of ownership?
- Have family business policies been clearly articulated and documented?

Wealth Planning Focuses On Such Questions As....

- Does your estate plan reinforce core values or just shift money?
- Will the plan encourage dependence and indolence or achievement and productivity?
- How do I protect my assets from creditors, divorce or vulnerable heirs?

Wealth Planning Focuses On Such Questions As....

- Are your chosen trustees qualified and prepared for
 - The financial responsibilities?
 - The emotional responsibilities?
 - The time required?
- Are your wishes and intentions clearly documented?
- Will your choice of trustees help to bind or disrupt your family?

Tools Utilized by Legacy Families

- Strategic plan – the roadmap
- Family constitution – documenting values, establishing governance and the process for decision making
- Ongoing family meetings – ensuring effective communication, conflict resolution, and a venue for important education
- Wealth plan – allocating resources, creating opportunity; rewarding effort, managing expectations

Tools Utilized by Legacy Families

- Family bank – capitalizing entrepreneurship
- Shared asset agreements – ensuring accountability and responsibility
- Family foundation – perpetuating core values
- Brain trust – insight and advice; qualitative and quantitative

Tools Utilized by Legacy Families

- Family business policy handbook
- Well understood estate plan (updated regularly)

Additional Reading

The Legacy Family: The Definitive Guide to Creating a
Successful Multigenerational Family

By: Lee Hausner and Douglas K. Freeman

Published by Palgrave Macmillan (2009)

Available on [Amazon.com](https://www.amazon.com)