



INSTITUTE *for* PREPARING HEIRS®

A Guide to Family Meetings





Why Have Family Meetings

Family meetings have taken on a greater sense of urgency now that we've entered the greatest wealth transfer in history. Over the next several decades, trillions of dollars will transfer from spouse to spouse and from parents to children. Unfortunately, even the best investment and estate plans cannot shield a family and its assets from unresolved issues among family members.

Did you know that 90% of wealth transfers do not survive past the third generation¹?

It's not due to errors in the estate documents. Most frequent causes include:

- Poor trust and communication among family members
- Failure of parents to prepare their heirs for inheritance
- Lack of an agreed upon mission or purpose for the family wealth.
(It's the family's mission, not the mission of the family business.)

Families who have successfully transferred and retained their wealth and unity across generations understand the benefits of family meetings. Family meetings provide a setting where the family does the important work on behalf of all members. This is where the family becomes practiced at decision making, problem solving, education and encouragement. It's also a time to renew bonds, welcome new members, celebrate achievements and have fun.

Families who have successfully retained their wealth, values and unity across generations have done so by adopting the practice of family meetings.



¹ The Williams Group

Rules *for* Family Meetings

Family meetings are an important time for hearing all voices – from the ones who created the wealth to those who are passing it to the next generation, and for those who are receiving it. It's easier to set ground rules before a meeting takes place.

1. Make the first meeting short and attendance optional.
2. Subsequent meetings may be length-determined based upon your family's wish to spend more time on topics members wish to discuss at greater length.
3. Invite spouses, partners and children of an age appropriate for the meeting topic.
4. Use a video or audio conferencing service for members who are unable to attend in person.
5. Solicit everyone's ideas in advance for the agenda. (You will gain new insight into what issues concern other family members.)
6. Reimburse the expenses of all attending.
7. Make it a family meeting, not Mom's or Dad's meeting.
8. Consider using a skilled third-party meeting facilitator if there are concerns that issues among family members may derail the meeting, or to help guide meetings that are more process-oriented (e.g. developing the Family Wealth Mission Statement).
9. Choose surroundings that are pleasantly neutral and enjoyed by the whole family.
10. Reach agreement on procedures to determine who talks, who listens and meeting courtesy. Do this at the beginning of the first meeting.



**“A successful
wealth transfer in
families is when
the beneficiaries
receive and manage
assets in a manner
to foster their
development and
lifetime goals.”**

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Types of Family Meetings



“Family wealth consists of resources and assets in all forms — cash, bonds, equities, ownership interests, and real property — as well as family name, knowledge, health, spirituality, family unity, and support of community.”

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Informal Meetings

Families may want to begin meeting informally, perhaps at dinnertime. Meetings are typically led by a family member in a leadership position. Begin by telling the story of the family wealth: who created it, how it was created and the wealth creator’s vision. Show photographs and a family tree.

Formal Meetings

Informal meetings will likely evolve into more formal meetings where the family will work with a specific task in mind – prepare to transition an estate or a change in family leadership or structure. The meetings may be a half-day or weekend retreat. A clear agenda is required. Formal meetings may also benefit from a skilled facilitator who is trained in leading meetings with a specific goal. Skilled facilitators can provide guidelines for modeling good listening skills, encourage conversation and create a cohesive environment. You can also ask your financial advisor to lead meetings on topics related to the family’s financial and estate plans. Above all, rotate meeting hosts, from parents to children and their spouses. The host is also responsible for setting the agenda and choosing the meeting location.

How Often to Hold Family Meetings

It depends on the needs of the family. Often events trigger meetings:

- Selling a business
- Transitioning your estate
- Succession of leadership
- Change in family structure

— FAMILY CHECKLIST —

FAMILY MEETINGS

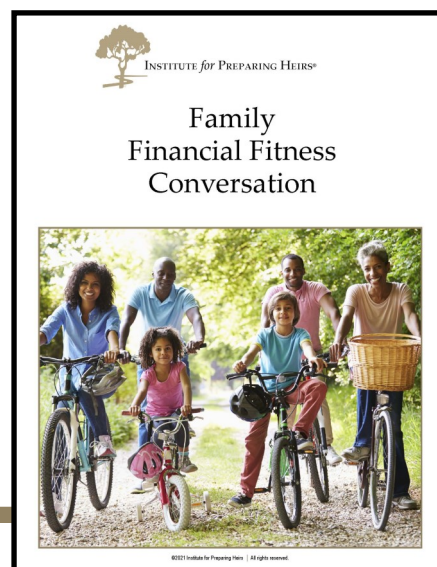
	YES	NO	SOMEWHAT
All family members know the family history and how their predecessors worked to arrive at the family wealth.			
Our family has discussed the ultimate distribution of our keepsakes, art and collectibles.			
We provide travel funding for family members to develop fresh perspectives, a sense of adventure and cultural diversity.			
Our family is prepared in the event of a medical emergency or an unexpected health diagnosis.			
Our family has a charitable giving program to foster a culture of gratitude and generosity.			
Our beneficiaries are familiar with the general framework of the family's estate plan , and understand how it impacts them.			
Beneficiaries have been made aware of the family's estate plan, and future roles and responsibilities.			
Our family is getting the most from each of our professional advisors.			
We have a plan in place today for our financial future and have created a pathway to prepare our beneficiaries.			
Our family has discovered the values we share in common and want to pass to future generations.			

Sample Family Meeting

ON THE TOPIC OF FAMILY FINANCIAL FITNESS

This meeting is an opportunity to begin to prepare family members for financial leadership by modeling financial competency and family values. Like life, over time families are constantly changing. Being prepared for change, and having a solid financial plan in place now, will provide a pathway to a successful transition of wealth and values to the inheriting generation.

Suggested meeting leader: Family Financial Advisor



— SAMPLE FAMILY MEETING AGENDA —

9:45 am	Welcome/Meeting purpose/Introduction of Family Financial Advisor
10:00 am	<p>Discussion about family financial/estate plan (not the amount) tailored to your family:</p> <ul style="list-style-type: none">• Overview of the financial planning process• Overview of the structure of the estate plan• Beneficiary education program available• Important estate documents & how often to review/update w/ advisors• Who are the advisors and what each does for the family now?• Different family roles & most common misconceptions about each (executor, trustee, beneficiary, power of attorney, healthcare proxies)• Q & A
11:00 am	<p>Hand out records organizer for each family unit:</p> <ul style="list-style-type: none">• Review of documents to include• Why having all documents accessible in a central location is important• Who should have access in the event of an emergency (at home or abroad, medical or other)• Tips for keeping your documents secure• Q & A
Noon	Lunch with Financial Advisor. Allow additional time after lunch for follow-up questions and interaction of family members with the advisor.
1:30 pm	Set the next meeting date, place, topic, agenda and suggested leader