

WORRIED ABOUT HEIRS MANAGING MONEY?

After a lifetime of building wealth, many of us have a desire to pass along a lasting legacy to our children. As such, there has been an increasing focus on intergenerational wealth planning to support this longevity. An intergenerational plan considers future generations, possibly those you may never meet, with the objective of supporting your wealth's longevity in complement to traditional estate planning documents. While these legal documents help to distribute, dispose of or deal with assets, the intergenerational plan helps to keep assets working into the future.

Start with a Plan and Document It — An intergenerational plan should set out goals and provisions for how money will be used by future generations, as well as how it will be accessed and replenished. For instance, you may wish for family members to invest in themselves, stipulating that funds should be used for higher education, or a business start-up or expansion. By offering heirs the means to obtain an education or run a business for themselves, they can gain the experience needed to create wealth and grow it. Once you determine your desired goals and provisions, it is important to formally document the plan so that it can be passed along to future generations.

Communicate Your Plan; Be the Family Resource — Once a plan has been developed, it is important to communicate it to family members. Often, parents keep their finances and related values secretive, missing the opportunity to pass along their ideals to children.

An intergenerational plan can allow heirs to understand your vision for your wealth after you are gone. While specific financial details need not be disclosed, sharing your vision can be a catalyst for meaningful discussions. Some families use this plan to form a family constitution that can help future generations carry forward the intentions of the plan.

Even if an intergenerational wealth plan isn't your desired path forward, there may be ways to help protect and preserve assets for the future:

Consider Protection Tools, Such as a Trust — Certain tools may help to protect future wealth in situations in which beneficiaries may not be financially responsible or where you wish certain goals to be attained. A trust can provide protection by putting assets under the control of a responsible trustee. The terms of the trust can specify the timing and the quantum of distributions to be made to heirs. Other tools may be considered, such as life insurance, to help protect and grow assets while also providing access to cash.

Create a Professional Support System — Having a support system of trusted professionals may be a valuable part of ensuring a successful generational wealth transfer, especially when heirs may not have the skillset to independently manage funds.

Creating a generational legacy can be one of the greatest gifts you leave behind. If you are in need of resources to help you get started, please call.