



Legacy Planning - Preserving Family's Wealth and Core Values

Wealth preservation and continuing the family legacy has been a great responsibility for the generation of baby boomers and their families. Family legacy is not only about wealth – it also includes the family's values, traditions, principles and philanthropic views that contribute to their lifetime achievements. Therefore, it is understandable why older generations seek to extend their legacy through their heirs. Often times, however, younger generations may have their own views and opinions that differ from their elders. Following disciplined practices and setting legacy planning in motion early can help younger generations avoid the risk of losing the family fortune or failing to understand and carry forward the family values and principles.

Multi-Generational Brainstorming

A younger generation's active involvement in legacy planning can allow the family to develop strategies of wealth preservation. The existing revenue streams may not bring in money the way that they did in the past. Multigenerational brainstorming allows family members to plan for new avenues to maintain and build the family's wealth. Getting the younger generation involved in the planning and decision-making process may help ensure that the legacy remains intact. Early exposure can also help to build trust between family members and boost the business acumen and confidence of the younger generation.

Important Conversations: Budgeting, Investing and Spending

The younger generation may lack the experience and knowledge in handling wealth, so conversations regarding budgeting, investing, and spending are crucial and can help keep family members on the same page for preserving the family's wealth. Having open lines of communication about the topic of wealth transfer and preservation is very important for all involved. Younger generations may have an unrealistic understanding of the family's wealth and anticipate having or maintaining lavish hobbies and lifestyles that can dwindle the fortune. The older generation can help prepare their children to manage the family wealth. Children who are kept out of family discussions and decision making processes may miss early opportunities to learn about disciplined practices in handling large sums of money.

Monitoring the Value of Assets with the Help of Trusted Advisors

Interest rates, the stock market, and the real estate market can all impact the value of a family's investments and assets. Inevitable fluctuations in these areas combined with a lack of sophisticated advice about investing can lead to a significant loss of wealth. Seeking counsel from trusted advisors can help individuals monitor the value of their assets and make informed investment decisions. When children communicate with their parents' advisors, they become active members of a conversation that focuses on the preservation or growth of wealth, values and traditions that ultimately make up a family's legacy.

Legacy planning is an ongoing process. Implementing a program will allow members of the younger generation to think about the legacy that they will leave for future generations and facilitate a path towards doing so. If they create new revenue streams, they can keep their wealth intact to pass along to their children. But if they overspend, they will see generational wealth dissipate and may have nothing left to pass on to their heirs. Incorporating legacy planning into estate planning allows the family to establish a two-fold plan that is focused on the goals for multiple generations and the preservation of the family's fortune.

Having good and trusted advisors can help - not only with planning but also with incorporating all family members into the conversation. To set up a discussion about legacy planning, contact your Anchin Relationship Partner or Oxana Olach, a member of Anchin Private Client, at 212.840.3456 or info@anchin.com.



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