



Careful planning and open communication is critical for the successful transition of family wealth and values.

You've achieved a certain level of success, and you understand that the privileges of significant wealth come with challenges in equal measure. Among those challenges is successfully passing your wealth and values on to the next generation – to help them grow and preserve that wealth in order to thrive. It's not a challenge you'll face alone; 5.5 trillion is expected to be passed from one generation to the next by 2047. The problem? Without careful planning, almost 70% of heirs' money, assets and family harmony disappear after an estate transaction.

You have the opportunity – while you're living – to set your loved ones up for success, so to speak. A chance for open, honest communication, and for nurturing future-focused conversations about values, charitable giving and diligent stewardship. Estate planning is more than transferring money. It's about what that money can do for future generations, as well as making room for your family to grow closer, stronger – to prosper. The conversations may be sensitive, but they'll likely be worthwhile. According to a UBS report, families are happier and more satisfied when parents include their heirs in inheritance planning. "Estate planning and document creation prepare the money for the family. But that's half the job," says Shawn T. Barberis, J.D., president of More Than Money 360, a proponent of family meetings to prepare heirs to successfully carry on their family's legacy, values, unity and philanthropic mission. "A family meeting process prepares the rising generation for the money."

If you're not sure how to start the conversation on your own, choose a topic below and let the dialogue flow naturally from there.

Define your family's mission statement and your intentions for your wealth and legacy. Take into account nonfinancial topics

such as your values, expectations, the roles your family members will play and more.

If something happened to you tomorrow, is your family comfortable enough with your financial details to assemble a snapshot of your assets? Is your family prepared to competently manage their inheritance?

Let your family know where you've stored necessary documents and how to access them.

You may raise more questions than answers. That's OK. You can always revisit a conversation, with the help of an experienced wealth manager if need be, to get to a place of comfort and understanding.

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DON'T LET YOUR HEIR DOWN

Money alone is a shallow legacy compared to a more meaningful one that also touches on who you are and how to make a difference. In short, a family legacy will last for generations to come.

The greatest gifts you have to bestow may well be your values, spiritual beliefs, wisdom, hopes for your descendants and the love you feel for your family and friends – important intangibles worth sharing with those you care about deeply. Along with establishing your estate plan, trusts and legal will, consider taking some time to create a family love letter, also referred to as an ethical will, for your spouse, children and grandchildren. Your

letter can serve a variety of purposes, but most pass on facts, feelings, memories and wishes, important events and family stories – all the elements that make up who you are.

OPEN ARMS AND OPEN MINDS

Unfortunately, the majority of family wealth disappears when it's distributed across multiple generations. Research and data clearly demonstrate that lack of transparency or a shared family vision can adversely impact the rising generation. To stack the odds in your favour, you'll need to create a framework to help your heirs flourish, strengthening family unity. Family meetings can help solidify decision-making and wealth governance – providing a structure that supports and sparks meaningful, multigenerational dialogue, Barberis says.

CREATE A ROAD MAP

Support whatever conversations you do have with documentation, storing legal paperwork, passwords, insurance policies, titles and deeds with a trusted lawyer, wealth manager or in a secure online portal, like Vault, which allows you to assign various levels of access to particular people. Don't forget to include the contact information of your estate planning team, in case your heirs need it down the line.

You may want to include a philanthropic mission statement along with these items, reinforcing the importance of sharing wealth to make the world a better place in some way. Doing so may just make them happier, and you'll be able to see their good deeds in action.

Understand that wealth's privileges and complexities deserve, even demand, thoughtful preparation and honest, ongoing conversations. Circumstances can and will change, as should your estate plan. So work with your wealth manager along with other planning professionals to find fair answers to important questions, establish trust and open dialogue, and provide the gift of opportunity to those who matter most.

Sources: Kings Court Trust; accenture; cegworldwide.com; marketwatch.com; nextavenue.org; theglobeandmail.com; Raymond James research; themckenziefirm.com; yourestatematters.com; thebluntbeancounter.com; cushingdolan.com; Journal of Financial Planning; bravotv.com; mybanktracker.com; kiplinger.com; forbes.com; legacyfamilyoffice.com; shwj.com; stokerrostler.com

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