

# Holding a Family Meeting

By

Daniel A. Prisciotta

CFP®, CPA\*, PFS, ChFC

If you've been working hard and investing for years, you probably have enough resources to live well and feel confident in your financial future. Your next consideration may be how to build a legacy for your family and future generations. No matter what your asset level, holding family meetings to clarify your values and plans for the transfer and management of your wealth can be an essential part of this process.

Most people have a general idea about what they hope to accomplish with their wealth, but may be unaware of the multitude of considerations and options available for realizing their goals. By creating a family mission statement of your values and communicating with your family about your basic philosophy of transferring assets, you can establish clarity and avoid surprises.

## Getting Started

It may be helpful to hold four meetings a year, around a calendar cycle, to identify long-term objectives and track progress—culminating with the fourth meeting with the family.

- **The first meeting:** Working with your financial planner, you can begin to develop your family mission statement. This mission statement may become your most valuable strategy in terms of managing your assets through the generations. Talking with your advisor about your personal values, wealth transfer objectives, family goals, philanthropic concerns and leadership issues can help you begin to fill out your statement. Your financial planner can introduce options for helping achieve your goals and maximizing family wealth potential.
- **The second meeting:** The next quarter, you might want to hold a strategic meeting to review the current status of goals, update wills and change tactics as needed. Although estate goals may not stay the same as circumstances change, the most difficult thing for parents to do is equalize assets because they want to make sure they are fair—but how to be fair can change with life events.
- **The third meeting:** Planning for taxes, estate strategies and specific charitable contributions early in the year ensures the time to maximize options. Bringing your attorney or accountant into these discussions may be beneficial, especially if they are willing to participate in a “family office model” structure. Traditionally, advisors work independently for a client and are not accountable to a group. But to be ultimately effective, the specialists should coordinate and collaborate on family issues as a team. The more communication there is between parties, the more success there will be in supporting the family's goals.

- **The family meeting:** The last meeting of the year is the annual family meeting. By this point, you should be clear about how your financial plans reflect their personal values, what the status of those plans are and how you want to involve your children in realizing those goals. What arises from these meetings is a form of family governance—a shared responsibility between family members to help reach your wealth management goals. At these meetings you can designate who will fill leadership roles and how, whether it's learning to manage trust assets or working with philanthropy. Each successive meeting should reinforce those roles and establish individual credibility within them.

## **Six Steps to a Successful Family Meeting**

A productive family meeting may include the following key components that support harmony and efficiency:

1. Set the date in advance so that everyone can attend.
2. Meet in a pleasant, neutral space.
3. Kick off the meeting by introducing your specific goals for the meeting and your wealth philosophy.
4. Have a structured agenda that includes a presentation by one of your specialist advisors who represents your interests and can answer relevant questions.
5. Structure the agenda to encourage everyone's involvement. Children need to feel addressed and have a safe forum to provide feedback and input.
6. Commit to meeting annually and devise a way for the group to regularly keep each other informed of issues or concerns.

The ultimate goal is to get everyone working together towards the same aim. Over time there becomes a lineage or generational sense that the kids have to continue doing this for their kids. It's the beginning of training the family on ways to transfer the wealth—kind of a dynasty concept, which is wealth plus value.