



Truth or Consequences

Trust Ethics when Dealing with “Elephants in the Room”

2017 Delaware Trust Conference
October 25, 2017

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Session Overview

1. The Elephants in the Room
2. The Underlying Issues
3. Suggestions for Solving
4. Moving Forward

For your consideration: Do family leaders in families of wealth have an ethical responsibility to prepare their next generation inheritors for the responsibilities of living life with wealth?

What Are Some of Those Elephants?

- Wealth!!!
- Differing Values
- Strong Patriarch/Matriarch
- Sibling Rivalries
- Blended Families
- Unprepared Heirs
- Family Secrets

Addiction
Criminal Activity
Sexual Orientation
Depression
Abuse
Health neglect
Overspending
Scandal
Underperforming family members
Infidelity

Elephant #1 – Wealth

What are the issues?

- Avoidance
- Different money histories
- Overspending
- Lack of financial literacy
- Emotional impact
- Enabling
- Guilt
- Fear of losing the money
- Distrust
- Paralysis around when to give
- Knowledge of net worth

Suggestions for solving...

- Explore your relationship with money – your money history
- Share the family story of wealth creation, the work ethic, the sacrifices, the values...
- Build financial literacy skills across the family
- Seek creative ways to talk about wealth
- Use trusted advisor or facilitator to talk about wealth concerns
- Create a safe environment to discuss the emotional impact of wealth
- Model responsible money behavior

Elephant #2 – Differing Values

What are the issues?

- Confusion
- Generational differences
- Diluted family values
- Unfair judgment
- Rifts
- Successors change paths

Suggestions for solving...

- Bridge divide through story telling
- Engage values work
 - Appreciate individual values
 - Identify shared values
 - Values alignment
- Mission Statement
- Understanding/Acceptance

Elephant #3 – Strong Patriarch/Matriarch

What are the issues?

- Reluctance to cede control
 - Fear of mortality
- Difference of opinion
- Fear of innovation/change
- Perceived lack of preparedness
- Reluctance to communicate intentions
 - Worried they will dis-incent their offspring
 - Put off by entitlement issues

Suggestions for solving...

- Visioning work
- Goal setting
- Identify barriers to success
- Explore reluctance to lighten up on the reigns
 - Psychological control issues?
 - Lack of trust?
 - Lack of skills in next generation?
 - Different visions for the future?
- Be proactive – start early
- Accept mistakes are inevitable

Elephant #4 – Sibling Rivalries

What are the issues?

- Historic family dynamics
- Competitiveness
- Jealousy
- Favoritism
- Aptitude – Golden Boy/Girl syndrome
- Gender issues

Suggestions for solving...

- Education on family systems, sibling dynamics and the power of birth order
- “Type” and “Style” analysis
 - MBTI
 - Halls-Tonna Values Assessment
 - Communication Styles Assessment
- Celebrating and capitalizing on differences
- Bonding around shared values
- Acceptance
- Empathy

Elephant #5 – Blended Families

What are the issues?

- Fear of abandonment
- Jealousy
- Favoritism
- Finances
- Disappointment
- Sadness
- Differences
 - Values
 - Traditions
 - Parenting
- Wide age spread

Suggestions for solving...

- Open communication
- Scheduled time together
- Listen for concerns
- Allow for recovery
- New traditions
- Patience – healing takes time
- Acceptance

Elephant #6 – Unprepared Heirs

What are the issues?

- Senior generation control issues
- Secrecy
- Fair vs. equal treatment
- Lack of a succession plan
- Lack of interest

Suggestions for solving...

- Open communication through structured family meetings
- Assess interest around involvement
 - Identify what involvement might look like
 - What roles are available
- Develop a Family Education Policy
 - Process for identifying appropriate competencies
 - Procedure for accessing education

Elephant #7 – Family Secrets

What are the issues?

- Fear
- Disappointment
- Stress
- Distancing
- Conflict

Suggestions for solving...

- Education on family communications and family conflict
- Explore the family's values around family member well-being
 - Consider offering resources to cover un-insured medical costs and other healthy options
- Seek “qualified” professional help to work with your family and/or individuals
- Consider a “guided and informed” intervention

Let's Take a Look at How:

A family whose home is full of unwanted “elephants” can begin to turn things around

AND

How a younger family can try to avoid unwelcome elephants from the beginning

What To Do

- Get Informed
- Identify the Topics
- Include Key Parties
- Surrender to Expertise
- Seek Buy-in
- Plan the Plan
- Embrace the Process
- Strive for Change

Questions?



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