**Winning the Engagement of Families**

*The Conversations that Matter*

Generational Wealth from the Family Perspective

Tackling generational wealth and all its potential complexities is not always top of mind for High Net Worth or Ultra High Net Worth families. Statistics suggest that wealth passing from one generation to the next is at a 90% risk of disappearing by the third generations. Let’s face it, it creates work, requires a strong commitment from the family and, in the best examples, was guided by strong visionary leadership in the family. So, you can imagine why your clients who have accumulated more wealth than they could ever spend aren’t necessarily running to address this, but the alternative is downright awful and often leaving many families in complete discourse. Research further points out that when heirs are not properly groomed to manage future wealth distributions, there is a 70% chance that at least one of the heirs will lose their inheritance.

Generational Wealth from the Advisor Perspective

As it stands today, you likely either have a lot to lose or gain and, like it or not, the next generation in the High Net Worth and Ultra High Net Worth families hold tremendous influence over that future. The question is, do your clients’ children see you as their parents’ advisor or the family advisor? Do they see you as someone they can learn from, connect with, relate to, or are you irrelevant in their eyes? The opportunity that lies in front of you has not been properly figured out, otherwise the statistics would tell a different story. From an advisor perspective, you should be looking at this misunderstood and underserved market from a few different perspectives. If you’re a senior advisor with an aging client population, what is the future value of your business to a potential successor? How can you increase the likelihood that not only will the next generations remain with you, but that your successor will have long term sustainable success as the monies transfer? On the other hand, if you are still in growth mode and looking for opportunities to capture market share, by view of the statistics alone, this market presents a tremendous opportunity for you to get focused and to refine your approaches and skills to help families successfully pass their wealth to future generations of prepared heirs who, thanks to you, are ready and willing to carry the torch.

**You must approach these engagements in the context of discovery**

So how do you get the conversation started? For more than two decades, Legacy has developed some best practice approaches to opening the conversation of generational wealth transfer. We will look at approaches for when you are meeting with G1 wealth creators or inheritors of the wealth as well as G2 and G3. We have experienced a growing population of situations we consult on where the client is a G2 or even G3, and G1 is living and at the helm of decisions.

Our overarching best practice for the following approaches begins with an authentic discovery process. You’re probably asking yourself, “What do you mean by authentic?” I say authentic because most advisors misunderstand discovery as just another term for fact finding and it’s entirely different. Discovery when done right, feels like an amazing massage of your clients’ head and heart. Discovery is about helping your clients connect with what matters most to them and why, through an exploration of their vision for the future, the things they value, and finally the defining of goals that will get them closer to realizing their vision. From this point, transitioning to the conversation of generational wealth is not a far stretch at all, in fact, solid discovery almost always opens the door. *(See Planning Horizon® Talk)*

**Powerful questions and statements for introducing the concept of generational wealth to a G1 client/prospect**

* How satisfied are you with your current written and disclosed generational wealth plan?
* What do you hope your success and financial assets will mean to your children and grandchildren?
* What type of a financial legacy do you want to leave to your family?
* Is creating a Legacy beyond your kids important to you?
* What was the most impactful memory you and/or your family experienced through your philanthropy?

**Powerful questions and statements for introducing the concept of generational wealth to G2 or G3, with the hopes of getting introduced to a living G1**

* Are you satisfied with your parents’ current written plan to distribute assets to you and your siblings?
* How prepared are you and your siblings to manage the family’s financial assets as they transfer?
* What type of a financial legacy do you or your parents want to leave? How is yours the same or different?
* What’s been the greatest memory or experience you have had with your family’s philanthropy?