**The Generational Advisor:**

*Building a Business to Serve Clients Across Generations*

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. Do they have that leadership? Do they have the vision? Do they care? Do they know where to begin? These are all potential challenges. However, the alternative is downright awful and often leaving many families in complete discourse. Studies have consistently shown that when inheritors 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 and connection to the family.

As an Advisor to these families, 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 your future relationship and the retention of assets. The real 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 staring at your final stretch with a vision for 10 years or less full time in the business and have an aging client population, what have you done to groom and secure a successor? Furthermore, what headway have you made engaging the entire family in your most important relationships? Your answer to these questions, and the reality of the actual state of the relationships, has a significant impact on the future value of your business to your successor. Or maybe you’re an advisor with a much longer practice span of say 20-30 more years and have the opportunity to transition to a generational focused practice now. Regardless of where you are, at Legacy we believe there is always an opportunity to apply strategy, systems and tools designed to increase the likelihood of your success.

**Think Generational Practice:**

**Systems, Process & Tools:**

At Legacy, we’ve been working in the Generational Wealth space for over two decades and the thing we hear most often from advisors is, *“I’m pretty good at getting the conversation started and a lot of times it creates excitement in my client families to want to do something. But then what?”* This is very common, because great sales people are amazing at getting people excited and striking on the emotional purse strings, however to beat the statistics and build long term generational relationships, requires some structure. There is a systematic way to approach Generational Wealth and then there are some powerful tools and processes that can bring it all together.

Our overarching best practice begins with an authentic discovery process. You’re probably asking yourself, “What do you mean by authentic?” We 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 The Planning Horizon® Conversation)*

Given that the two greatest challenges in Generational Wealth are communication amongst the family and preparedness of the next generation, it’s critical that you get the next generation engaged and there are a few opportunities that present themselves perfectly for this.

First, as a planning focused advisor, there are several points in the planning process for engaging the next generation into the conversation. Estate Planning is hopefully an obvious one, however we are amazed at how few advisors talk to their clients about inviting the next generation to the table for, at a minimum, the conversation about how the plan works and what it says. In many cases, it’s written in language that will be foreign to the next generation. The second and quite possibly most powerful planning opportunity is around healthcare planning. With mortality increasing every year, healthcare planning is a critical conversation that families need to be engaged in and there is no better time to bring the next generation into the conversation to understand their parent(s) wishes and any/all obligations on the next generation. Offering education opportunities to the next generation around finances is something we have found to be highly welcomed. While they likely don’t have a lot to work with today, you wouldn’t be talking to them if they wouldn’t be successful in the future. Remember, it’s always easier to engage with the next generation before they are financially successful. These are just a few of the top opportunities around planning to get the next generation at the table and begin to build a relationship, while having them see you as not just mom and dad’s advisor, but the family advisor.

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.

**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?