

Wealth Reflections

Insights on building, preserving and passing wealth – Gwen K. Harvey

Mentors in Life & Money:

Adding a human element to the passing of wealth

By Gwen K. Harvey, B. Comm., CFP, CLU, TEP

Trusts and charitable structures are key elements of passing wealth. However they have a far greater impact if supplemented by a document or process that addresses how adult heirs can practice, and ultimately succeed, as wealth holders. We have been mentors to our children all their lives. Why do so many families allow wealth to pass without the human element that can safeguard its preservation?

A system of checks and balances

Legal documents carry certain intentions typically arrived at without heirs present. By nature of being a written document, they can't totally represent who you are and what you intended at the point of attaching certain allocations or limitations to the quantity or use of inheritance.

We recommend coupling your Wills and other carefully crafted legal documents with a human element that can verify that heirs understand your intent – and are equipped to rise to the occasion. We can provide them with a mentoring program to be administered by you, a trusted advisor, an expert facilitator or even a friend who has been especially successful in business. Such a program can be documented so the current generation of heirs can in turn deliver it to their children when they come of age.

The human element can also take on the form of a written family wealth philosophy, or capturing the patriarchs' voices in the form of an audio recording or a short film. Each of these human elements allows the person behind the assets to come through.

Kids craving wisdom

When we begin to have an adult relationship with our children, sometimes it becomes difficult to believe that they really want to know our stories and absorb our wisdom. Engrossed in their own lives and families, who wants to hear about something that happened forty years ago? Yet we find that adult children are craving this greater depth to the story they've watched unfold from the sidelines for years. They want to know how and why you achieved success in life and in wealth. The human element of planning is a way to tell them in a manner that can be passed down for generations.

The best intentions of a fireside chat

Many families have had conversations with their children about this very topic. Can a conversation alone stand the test of time? Consider taking the extra step to ensure – through action or documentation – that your intent for your wealth is clearly and permanently available for future generations.

If you have any questions about this, please give us a call