

Ties that Bind

Coming Into Money

Preparing your children for a lifetime of wealth **BY Tom Hubler**

Family discussions about wealth are like family discussions concerning sex education: they are often avoided. During a recent consultation with a prominent client family—beneficiaries of a very large estate—I asked them how they were preventing their kids from becoming spoiled. Despite their concerns and solid family values, they were stymied. They had not done anything to prepare their children for the wealth they would inherit.

On another occasion I asked a client if she had discussed the family’s wealth with the

some clue about the family’s status by virtue of their lifestyle such as cabins and vacations.

Wealth creates issues just as lack of wealth does. The question is, which set of issues do you confront? Sharing with your children that the family is blessed financially can set in motion a lot of possibilities. But the good news is that you have time to positively influence and guide your children. If you wait and spring it on them when they are “older,” (meaning more mature) you could set in motion a different set of other possibilities for which you have not yet had the opportunity to prepare them.

In my practice I have found that holding intergenerational family discussions is a wonderful opportunity to guide, inform and prepare children for their stewardship responsibility. I believe if they are gradually and adequately prepared, children come to understand the meaning of their wealth and what role money will play in their lives.

These family discussions (which we call Wealth Preparation Planning) begin when parents take the initiative to bring the family together and organize an agenda to talk about wealth. As parents live out their values regarding money, they represent

strong role models for their children. It is a matter of identifying those values and using them to inspire their children regarding future spending, investing, saving or sharing the wealth handed down to them.

To set the table for discussion, we suggest that our client families address the topic of wealth by asking, “How do we define success?” This becomes an excellent framework for describing values.

Then the discussion can evolve to, “What strategies should be in place to accomplish our goals?” These strategies for success relate to many critical areas including:

- ▶ Family
- ▶ Business
- ▶ Attitude of gratitude
- ▶ Purposeful living
- ▶ Happiness
- ▶ Philanthropy
- ▶ Service to others
- ▶ Financial education
- ▶ Next generation planning for grandchildren
- ▶ Values
- ▶ Legacy
- ▶ Positive financial habits
- ▶ Money mentors

This is a partial list that can produce lively discussions in families who have the courage to take on the task and explore the challenges associated with wealth. What matters is not the extent of your wealth, but your family, its values and how you use that wealth.

Take a moment to ask yourself, “What do I want my legacy to be concerning wealth and our family?” Then take the next step. Initiate discussions within your family so that your wealth intentionally demonstrates your family values. **MB**



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“kids” (two in college and the third about to enter). “No,” she said, “I don’t want them to find out because, if they do, I’m afraid they will lose their incentive to work and be productive.” She planned to wait until they were older. Her response is not unusual.

How do families blessed with enormous financial success raise children who are not spoiled by it? Avoiding talking about it is likely not the solution. In fact, when we interview the children in preparation for a family discussion on wealth, they already have



THE CONTRIBUTOR

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