



Living and leaving your legacy

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When most people think about leaving a legacy, they mean leaving financial assets to their children and grandchildren, their favorite charities, and other heirs. They commit substantial effort and resources in planning how and when their cash, stocks and bonds, real estate, insurance proceeds, businesses, and other assets will pass to their heirs. Traditionally, such planning includes financial planning to grow and preserve assets, tax planning to minimize taxes and maximize assets passing to heirs, and estate planning with wills and trusts.

Defining “legacy” beyond financial assets

But financial assets are only a small, and arguably the least important, part of your legacy to heirs. A more accurate definition of “legacy” is much broader: the process of transferring all forms of capital to heirs. So a legacy includes passing far more than just financial assets. It includes, for example: human capital, which includes family heritage, health, talents; intellectual capital, which includes both formal and informal education and experience; social capital, which includes valuable personal, community, and business relationships; and, for some people, religious or spiritual capital. Planning for the future of your financial assets is not the same as planning for the future of your family.

There is an undeniable principle that has withstood the test of time, economic and political systems, and geography: **in 90% of families, wealth does not survive the third generation.** Neither does family unity. You may have heard the saying: “Shirtsleeves to shirtsleeves in three generations.” The good news is that research has uncovered the secrets to beating the odds. The formula is straightforward: increase effective communication, trust in your family, prepare your heirs to be good stewards of your family’s wealth, and define and live by your family purpose statement.

Legacy planning positions families for future generations

If sustainable multigenerational wealth transfer is among your goals, it is critical to focus not only on traditional financial, tax, and estate planning, but also on legacy planning. Legacy planning is what we call “the human side of planning”—planning that ensures that your family will stay strong and united for many generations.

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Just like financial planning, legacy planning is a process that begins during your lifetime and has a significant effect on the legacy you pass to your heirs. The better your lifetime planning, the more impactful and long-lasting your legacy will be for your heirs. The legacy you pass to your descendants begins the day you are born. It includes your genes and your heritage, and grows over your lifetime with your life lessons and the values that define who you are and how you act. It also includes the intellectual, social, and spiritual capital you develop over your lifetime.








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Likewise, you begin to pass your legacy from the day your first child is born. It encourages and perpetuates family harmony and unity now and in the future; it significantly impacts the lives of family members and the likelihood they will be successful; it increases the likelihood that the family wealth will survive to benefit future generations.

But living and leaving your legacy should be intentional. You should not leave it to chance. If you want your legacy to live on and your family to flourish long after you are gone, you must make a commitment to build a solid legacy during your lifetime. In the absence of purposeful planning, the odds are against you.

Legacy planning concentrates on the key elements of success: improving communication skills and trust within the family, educating and preparing your heirs to inherit all forms of capital, and defining your family's unique purpose and mission, which is the superglue that will keep the family together for generations.

If your legacy is important to you; if you want your family to flourish now and in the future; if you want your family's wealth, in all of its forms, to survive to benefit future generations, here are some basic things you and your family can do:

	Schedule regular family meetings to discuss the business of being a family, to grow family unity, and encourage individual development and education and ensure that each family member flourishes.
	Identify family values to which every family member agrees.
	Discuss and define the family purpose or mission and how family members can all work together to live and fulfill that purpose today and for future generations.
	Define a plan of family governance. Define the roles and responsibilities of family members in regard to the business of being a family and fulfilling the family purpose, and define a mechanism for decision-making and resolution of conflict that inevitably arises in every family.
	Schedule regular family vacations and encourage everyone to attend. Don't forget, the family that has fun together, stays and grows together. Consider ways to inspire and facilitate family meetings and vacations when you are gone.
	Record and preserve family history, life stories, life lessons, and values.
	Consider family philanthropy as a way not only to make a difference in the world, but also to increase effective communication, education, and family harmony. This doesn't necessarily mean setting up a large family foundation. Some families make a big difference in their communities by volunteering together for worthy causes.

This is the kind of proactive commitment that has helped families beat the odds and successfully pass their wealth in all its forms together with family unity and harmony for generations. Some families accomplish this on their own. Others seek assistance from professionals who specialize in working with families for this purpose.

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Bringing the family together to define a legacy

The professionals at Key Family Wealth provide legacy planning services to Key Family Wealth clients. The cornerstone of this process is Key Family Legacy Day. Key Family Legacy Day is a dedicated family event which provides the framework to improve family dynamics by creating a culture of communication and trust to sustain family wealth and unity for generations. Many of our families have commented that this day was one of the most impactful days they have ever spent together. Guided Discovery is a process in which a Key Family Wealth certified professional guides you in recording and preserving your heritage, life story, life lessons, and values. A Legacy Statement, which follows the completion of the Guided Discovery session, summarizes “This is who I am. This is where I came from. This is what I believe. This is what I hope for my family, now and in the future.” Clients say that Guided Discovery is one of the most meaningful things they have ever done, giving voice to their legacy for future generations. Clients comment that these services have made a significant impact on their families – in some cases, the impact has been transformational.

After considering the various forms of financial and non-financial wealth, individuals who have experienced legacy planning services invariably believe that if they could effectively pass their non-financial wealth to their children – if they could strengthen family unity and harmony during their lifetime – their heirs would receive the foundation for a successful and productive life regardless of their financial inheritance. They believe non-financial forms of wealth are their most valuable legacy to their children, both during their lifetimes, and after they are gone.

Conclusion

Does your compelling vision for future generations include a unified, harmonious family and prosperous, flourishing descendants? If your answer is “yes,” consider taking intentional steps to incorporate legacy planning in your life to live your legacy to the fullest and pass a legacy that is far more meaningful than solely financial wealth.

To learn more, [please consult with your Key Private Bank Advisor.](#)



About the Author

As a Director in Key's Family Wealth Consulting Team, Anne Marie Levin works with a team of tax attorneys and investment professionals who work with high-net-worth clients and business owners – helping them to design and implement sophisticated wealth strategies as part of Key Private Bank's personal and family CFO services. The team specializes in various complex financial planning strategies, including tax reduction, transactional tax, alternative risk management practices, philanthropy, asset protection, legacy planning, and complex credit and leverage strategies.

As the National Practice Leader for Family Wealth Legacy Planning Services, Anne Marie focuses on the missing piece to traditional wealth transfer strategies – the human side of planning. She leads the Legacy Planning Services team to educate, facilitate, and guide families to ensure sustainable multigenerational wealth transfer and family unity by identifying and implementing the family's values and mission, increasing effective communication and trust, preparing heirs, and creating and preserving a meaningful legacy for many future generations.

Anne Marie is a certified Heritage Design Professional (HDPTM) and holds a bachelor's degree in psychology and sociology from Villanova University, a law degree from Temple School of Law, and a Master of Laws in Taxation from Villanova University School of Law.

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