

STRATEGY PROFILE

CLIENT SUITABILITY

- Individuals with any amount of assets and income
- Parents or grandparents who want to give their beneficiaries more than money
- Clients with an interest in addressing the spiritual foundations of wealth planning

HYPOTHETICAL RESULT

- Articulates life lessons in a format that will inspire and guide future decision makers
- Helps trust beneficiaries avoid unnecessary problems and learn from past mistakes
- Helps inheritors appreciate the “sweat, blood, and tears” that went into accumulating the money being gifted to them.
- Helps pass on a spiritual and emotional inheritance before passing on a financial inheritance to the next generation

Family Legacy Video

OBJECTIVE: To articulate vision and values to guide the next generation in making wise decisions about the use of inherited wealth.

Thomas and Virginia Smith watched as their children and grandchildren enjoyed comfortable lives with little awareness of how the family accumulated the wealth used to fund the privileged lifestyles. The elder Smiths worried that their grandchildren may have too much freedom to adapt the values of their friends who emphasized the pursuit of pleasures rather than the development of skills that could help the family preserve and build wealth.

The Smith’s wealth adviser recommended that Thomas and Virginia watch *The Ultimate Gift*, starring James Garner. *Forbes* magazine compared this movie to “*It’s a Wonderful Life*” because of how it emphasizes family values. The movie starts with the family patriarch (James Garner) addressing his children and grandchildren around a large conference table in a lawyer’s office. Garner has died but he has arranged to “speak from the grave” by expressing his thoughts on a video recorded before his death. Those thoughts are articulated bluntly as he chastises unmotivated heirs and reluctantly bestows assets given to each heir as part of his estate plan. For Jason, the grandchild with perhaps the least understanding of how money should be used, the patriarch has the ultimate gift, which is made vivid throughout the rest of the movie.

Garner’s video provides a good model for patriarchs and matriarchs who want inheritors to appreciate the “sweat, blood, and tears” behind each trust fund distribution. On the video, fathers and mothers can share stories about taking steps of faith when making investments, hiring staff members, and holding to a vision. They can also help future generations learn how to make decisions when dealing with disloyal managers, tight cash flow, or excessive workloads. Each story can be tied to core value that helps the family remain strong.



Family Legacy Video

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Family Wealth Statement (“FWS”)

CLIENT SUTABILITY

- Individuals with any amount of assets and income
- Parents or grandparents who want to give their beneficiaries more than money
- Clients with an interest in addressing the spiritual foundations of wealth planning
- Individuals who want to establish their charitable giving intentions

OBJECTIVE: To develop a clear statement of vision and values from questionnaires completed by the matriarch and patriarch.

Thomas and Virginia Smith read studies showing that 95% of generation three members will lose inherited wealth. The Smiths are deeply concerned about the children and grandchildren not understanding and respecting the values that contributed to the creation of their wealth. Thomas and Virginia expressed concern to their attorney, once they reviewed their living trust and other legal documents. They are concerned that the documents will fail to guide the trustees and beneficiaries in using inherited wealth in the future.

The Smiths' financial adviser responded to the concerns by recommending a family retreat focused on articulating the family's values. Before the retreat, both Mr. and Mrs. Smith completed questionnaires with a total of 60 questions in six categories. Answers from the questionnaires were interwoven into stories about major life events, lessons taught by parents and grandparents, and summaries of family traditions. The retreat leader sought to discover and clarify the wisdom and warnings that were passed



A Family Legacy Video can communicate messages more effectively than an ethical will or family wealth statement. To create the video, a wealth counselor helps family members share examples of how decisions were guided by statements of vision and core values. Even if the family never had formal vision or value statements, the stories shared on the video make it clear how married couples, business partners, or other teams were guided by ideals that should continue into the next generation. The video can include dramatic stories, words of wisdom, and other types of teachings that might be lost if not recorded on a video before the death of a family leader.

HYPOTHETICAL RESULT

- The family is able to o peace of mind knowing that their wealth will be used in accordance with their principles.
- The family's values are clarified so that they can be passed on to future generations.

STRATEGY PROFILE

Ethical Will

CLIENT SUTABILITY

- Individuals with any amount of assets and income
- Parents or grandparents who want to give their beneficiaries more than money
- Individuals with an interest in addressing the spiritual foundations of wealth planning

OBJECTIVE: To clarify a family's mission and vision by creating a document which complements the family's legal will and/or trust. By upholding time-tested values, the family's strengthened relationships and stewardship of their wealth is documented.

Thomas and Virginia Smith read studies showing that 92% of generation three members will lose inherited wealth. The Smiths were also deeply concerned about the children and grandchildren not understanding and respecting the values that contributed to the creation of their wealth. After reviewing their living trust and other legal documents, both Thomas and Virginia expressed concerns to their attorney about how the legal documents failed to guide the trustees and beneficiaries in using inherited wealth in the future.

The Smiths' attorney responded to the concerns by recommending an ethical will. The ethical will summarizes stories, life lessons, and family traditions, many of which have been passed down from previous generations.

The Smiths learned that ethical wills have existed for at least 4,000 years. The Hebrew Scriptures first describe ethical wills in Genesis Chapter 49, where Jacob's communication to his sons includes elements of the Abrahamic covenant and earlier Adamic and Noahic covenants. Covenantal concepts from Scripture still help patriachs and matriachs foster godly commitments across the generations. Six elements from ancient ethical wills consistently appear in all types of more recent covenants, including the family compacts and church constitutions. In the 21st century, ethical wills continue to define the six main elements of partnership agreements, trusts, and other legal documents. These legal instruments are often designed by wealth counselors and drafted by lawyers, after attending a retreat focused on clarification of the elements of the covenant.



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