

Sponsored Content

Living and Leaving Your Legacy

By [Anne Marie Levin](#)

May 13, 2019 11:32 AM EDT



Key Bank

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.

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.

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; and it increases the likelihood that the family wealth will survive to benefit future generations.

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.

**Firemen Save Puppies But Realize
Actually Dogs**
nocartridge.com

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.

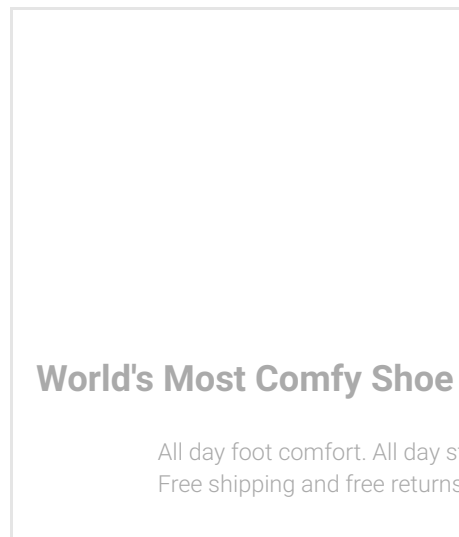
- Define a plan of family governance. Define the roles and responsibilities of family members in regard to the business of being a family and fulfilling the family purpose, and define a mechanism for decision-making and resolution of conflict that inevitably arises in every family.
- Schedule regular 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 on 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.

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 on a legacy that is far more meaningful than solely financial wealth.

To learn more, please contact a [Key Private Bank Relationship Manager](#).

Get even more insights into economic topics like this delivered to your inbox by [subscribing to Key Private Bank emails](#).

This piece is not intended to provide specific tax or legal advice you should consult with your own advisors about your particular situation.

Any opinions, projections or recommendations contained herein are subject to change without notice and are not intended as individual investment advice.

Ad

Investment products are:

NOT FDIC INSURED • NOT BANK GUARANTEED • MAY LOSE VALUE • NOT A DEPOSIT • NOT INSURED BY ANY FEDERAL OR STATE GOVERNMENT AGENCY