



ANAHEIM
2009

The Annual Conference of the Financial Planning Community

TRACK:	<i>CLIENT TRUST AND COMMUNICATION</i>
SESSION: 979051	PREPARING INDIVIDUALS AND FAMILIES FOR INHERITED WEALTH
	TUESDAY, OCTOBER 13, 2009
	8:45 AM - 10:15 AM
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Courtney Pullen is the President of the Pullen Consulting Group, a Denver Colorado based firm that specializes in management consulting, business coaching, family wealth counseling, leadership development, communication workshops, team building and strategic planning. He is currently a Clinical Associate at the School of Professional Psychology at the University of Denver. Pullen has frequently lectured, conducted numerous workshops and been published in the areas of individual and organization change. He is also a Contributing Editor to the Journal of Financial Planning and a member of the advisory board for The Sudden Money.

Preparing Individuals and Families for Inherited Wealth

FPA Anaheim 2009
Tuesday, October 13, 2009

presented by

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Our Opportunity

We are at the beginning of the largest wealth transfer in our history with more than 30 to 100 trillion dollars passed in the next 50 years.

But...

Our Challenge

Approximately 80 percent of all wealth transfers fail by the 3rd generation.

Why?

What can we do to alter the proverb, "from shirtsleeves to shirtsleeves?"

What are the characteristics of the 20% who are successful?

Theoretical Context

A. The family needs to be related to as a living organism that needs sustenance and care.

B. The family needs to have a long term view - the 100 year view (7 generation thinking).

Theoretical Context

C. Define family capital as:

1. Human
2. Intellectual
3. Social
4. Financial
5. Physical

Homeostasis and other threats to the family.

Cultural Context - we are in the midst of a significant social experiment.

Family Context

What Successful Families Do

A. Communication

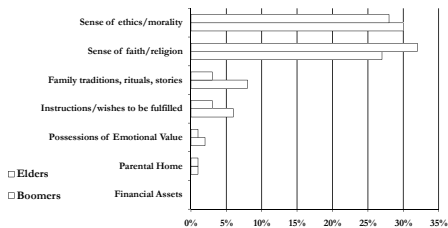
The **advisor**: make it a discovery process and

For the **client**: articulate and model family communication as a value

What are the kind of questions that help?

What are the values of the family?

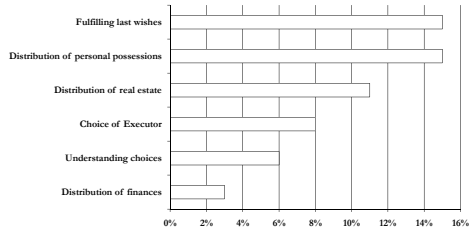
If you could pick one, which of these is the most important to pass between generations?



Base: Boomers n=1256; Elders n=1279
Source: The Allianz American Legacies Study

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Which of the following was the greatest resource of conflict in the transfer of your parents' inheritance and legacy?



Base: Boomers - Parents no longer alive n=357
Source: The Allianz American Legacies Study

Please indicate whether you agree or disagree with each of the following statements (% agree):

"Talking to my children helps me understand their wishes for my inheritance."

68% of Elders "agree" with each statement

"It is my responsibility to initiate a conversation with my children about my legacy."

Base: Elders n=1,345
Source: The Allianz American Legacies Study

Survey question:

Have you had an in-depth discussion with your child or heirs about their inheritance?

31% have had this discussion

Base: Elders n=1,345
Source: The Allianz American Legacies Study

Family Context
What Successful Families Do

B. Preparing Heirs - we need to be thinking differently about inheritance - it's not a gift (entitlement) but a transition guided by communication.

Family Context
What Successful Families Do

B. Preparing Heirs

1. Avoid: (How Much is Enough by Diane McCurdy)

- Overindulgence
- Over nurturing
- Over protection
- Over scheduling
- Over stimulating

Family Context
What Successful Families Do

B. Preparing Heirs

2. Financial Parenting

- Talk to children about money in an age appropriate manner
- Answering the hard questions
- Build competency and early lessons

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Family Context
What Successful Families Do

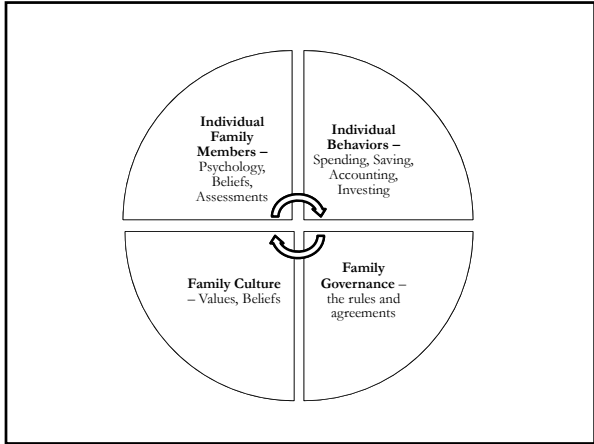
- C. Culture of philanthropy
- D. Governance / Leadership

Stages of Inherited Wealth

- Innocence
- Denial
- Ignorant Acceptance
- Learning/Growing
- Integrated Authority

Source: *The Inheritor: Sherpa* by Myra Salzer

How successful families use advisors...



Summary
