



## WEALTH COUNCIL INSIGHTS EDUCATION SERIES: FAMILY SUMMITS FOCUSED ON VALUES, NOT VALUE



**KEENAN PIERCE CALL, JD, CPWA®**  
Director, Family Office Services

When one thinks of financial and estate planning, they often think of investments, estates and trusts, taxes, insurance and businesses, yet rarely do we consider the importance and impact that Family Summits have upon the successful transfer of wealth and family legacy through the generations.

Industry research shows that 70% of wealth created by Generation One is lost during the lifetime of Generation Two, and 90% is lost by the end of Generation Three<sup>1</sup>. However, in the overwhelming majority of circumstances, the loss of wealth between generations is due to three primary factors:

- I. Lack of communication
- II. Lack of trust
- III. Inadequate preparation of Generations Two and Three

Family Summits are a planning solution that mitigates the risk of wealth erosion and loss

across generations and stands to be an immensely impactful tool when effectively implemented and adopted by a family. Designing the Family Summit to be focused on *Values, not*

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*Value*, takes the pressure and anxiety away and garners meaningful gatherings. While each Family Summit should be a tailored experience, several characteristics are consistent across all families and all generations.

With a primary goal of encouraging participation and collaboration, initial consideration must be spent on:

**Participants** – Careful consideration should go into which family members and non-family members, including your Oxford Advisors and other Advisors, to include at each Family Summit.

**Location and Regularity** – Setting the expectation regarding the location and regularity of Family Summits at the onset of the endeavor provides participants an opportunity to understand the expectations and appreciate the individual and family benefits. Ensuring that Family Summits take place at an optimal location is paramount to the success of Family Summits. The location should be selected with the mind-set of providing a neutral environment where those of all generations will feel comfortable voicing individual ideas and opinions.

**Organization** – Family Summits are a time commitment and should be organized so that each family member can respect the process, provide focused, relevant contributions and walk away feeling that the established and agreed upon goals were accomplished and the overall time was well spent. This can be achieved through thoughtful agenda preparation to include topics of discussion, educational sessions on specific topics and formalization of action items between gatherings. The level of engagement of all participants in the months and weeks leading



up to a Family Summit directly correlates to the success of the Family Summit.

### **WHY ENCOURAGE AND PARTICIPATE IN FAMILY SUMMITS?**

Family Summits are opportunities for various generations within a family to gather, share, discuss and grow as a family unit, with a common goal. It is encouraged that the lead generation share his/her values, knowledge, skills and existing planning with children, grandchildren and future generations. The sharing from the lead generation provides younger generations with perspective from the wealth creator and provides all members of the family a chance to engage with one another to achieve understanding. For younger generations, Family Summits provide not only the invaluable opportunity to learn from the lead generations but also to share his/her perspectives which will, once developed, become the voice carrying the Family Legacy into the future. The well-developed knowledge, skills, values, understanding and perspective of younger generations are critical to successful preservation of multi-generational wealth.

### **THE FAMILY MISSION STATEMENT**

A memorialization of Purpose, Values and Legacy is a significant portion of initial Family Summit. Defining a purpose and clarifying a core set of values that the family chooses to be the crux of who they are and what they want their legacy to be is often referred to as a Family Mission Statement. Developing a Family Mission Statement that will garner family alignment is the goal; when the goal is achieved, a legacy is defined, honored

and well positioned to endure through the generations. The Family Mission Statement should not only include the values and priorities of the lead generation, but should intentionally include input from

younger generations who will be responsible for implementing the Family Mission Statement across future decades. Obtaining “buy-in” from younger generations as it relates to the Family Mission Statement provides the lead generation with assurance that the family legacy and wealth will survive and thrive throughout future generations.

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### **ONGOING FAMILY SUMMITS**

Once a Family Mission Statement is created, ongoing Family Summits are designed to help each family carry the mission forward. Each Family Summit should be tailored to address the specific and evolving needs for the family but may include topics such as governance, philanthropy, legacy, heritage and family engagement, family business, investment and spending, specific financial and estate planning matters, education on various topics and any other matters most impactful for the family. Topics selected for discussion at a Family Summit should be chosen with the goals of engagement, discussion and alignment in mind. The topics for inclusion at a future Family Summit can be determined at the conclusion of the current Family Summit



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or in the months leading up to the next Family Summit.

While every Family Summit will be different and tailored to each family, many characteristics remain constant. Your Oxford Team has significant experience building well-designed and efficient agendas and has developed a thoughtful, thorough Oxford Family Summits Process that provides structure and ensures Family Summits run smoothly and effectively for generations to come. Your Oxford Team stands ready to work with your family to implement this impactful component of your overall financial plan.

<sup>1</sup><https://www.nasdaq.com/articles/generational-wealth%3A-why-do-70-of-families-lose-their-wealth-in-the-2nd-gene>

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INSIGHTS EDUCATION SERIES**

*ABOUT THE SERIES*

In the Wealth Council Insights Education Series, we endeavor to deconstruct some of the complexities that exist around many commonly utilized estate and financial planning concepts in order to provide you and your family with the basic knowledge needed to better understand and create a blueprint for your overall wealth enhancement needs.