

## Transparency with Future Generations

### Why Transparency Matters

- Builds trust, confidence, and a sense of shared responsibility across generations
- Prepares heirs to be thoughtful stewards of family wealth, businesses, and values
- Reduces the risk of conflict, confusion, or resentment when transitions occur
- Helps ensure the family's legacy is preserved with intention and alignment

### Who Should Be Involved

- **Primary participants:** Adult children, grandchildren (as age-appropriate), and spouses (on a case-by-case basis).
- **Optional but beneficial:**
  - Family business stakeholders or successors.
  - Trusted advisors (e.g., estate attorney, CPA, wealth manager, or family office executive) to provide neutral, expert guidance.
- Consider using a family governance framework to define roles, participation, and decision-making protocols.

### What to Communicate

You don't need to disclose every detail. Focus on clarity over complexity. Prioritize:

- **Family values and vision** (philanthropy, entrepreneurship, education).
- **Estate structure:** Wills, trusts, powers of attorney, healthcare directives.
- **Financial overview:** Type of assets (businesses, investments, properties), not necessarily exact amounts.
- **Intentions:** Charitable goals, lifetime gifting philosophy, special provisions.
- **Succession plans:** Roles in family businesses, decision-making authorities.
- **Expectations:** For how family members might use, grow, or share wealth.

### When to Start the Conversation

- Start early. Ideally during young adulthood (late teens to early 30s), and revisit regularly.
- Tie discussions to life milestones:
  - Graduation
  - Marriage
  - Birth of a child
  - Joining the family business
- Use annual or semi-annual family meetings to revisit and build upon prior discussions.

### Where and How to Communicate

- **Where:**
  - Family retreats, holiday gatherings, or structured family meetings.
  - Neutral settings (conference room, vacation home, family office) that allow for focused, uninterrupted conversation.
- **How:**
  - Prepare an agenda and circulate materials in advance.
  - Set ground rules for respectful dialogue.
  - Use stories to explain intentions ("why we made this decision").
  - Encourage questions to foster a learning mindset.
  - For difficult topics, bring in a third-party advisor to explain technical issues or mediate.
  - Avoid focusing on dollar amounts if that creates tension. Speak instead to purpose, process, and values.

### Tools to Support Transparency

- **Family mission or statements of intent:** Written declarations of purpose and long-term priorities.
- **Education modules:** Introduce younger generations to investing, estate planning basics, philanthropy, or governance through workshops or curated reading.
- **Governance structures:** Define how decisions are made and communicated (family council, advisory board).

### Best Practices for Sustained Transparency

- Don't try to cover everything at once. Instead, focus on one big topic per meeting.
- Follow up with written summaries and action items.
- Revisit the plan periodically as family needs and legal structures evolve.
- Model openness as a norm. The tone you set will influence how future generations communicate and collaborate.