



The Premier Association of
Financial Professionals®

MDRT Minute

Creating Clients Forever

Ninety percent of families implode when the parents die, failing to keep their families and fortunes together for three generations. The successful 10 percent pass both the financial and emotional inheritances to their children and grandchildren, and they build the foundation their heirs need to support the inheritance they will receive. Or, stated another way, they prepare their family for their inheritance.

Benefits accrue to the professionals who help families stay together. Effective multigenerational planning can help you retain your clients, receive more business and introductions from them, and engage or retain your clients' families for multiple generations.

More than money.

It is more important to pass or receive the family story and life lessons than it is to transfer financial assets or real estate, but these nonfinancial assets are not commonly addressed. Typically, clients work with their advisors to clarify their desired lifestyle, create a financial plan and investment portfolio, and determine who gets their stuff when they die. We must expand what we do to build a strong foundation that can prepare the heirs and support the inheritances. Multigenerational planning gives families the tools they need to replicate what successful families have done for centuries.

Prepare the next generation.

Successful families have a culture of communication and trust in the family, and they prepare each generation for the inheritances they will receive. Following is how your clients can build the foundation for preparing the next generation:

- **Effective intergenerational communication.** Talk as two adults, not as parent and child. Once communication is established, mentoring the next generation can begin.
- **Plentiful and meaningful pre-inheritance experiences.** When shared, these allow children and grandchildren to experience and learn some of the family's life lessons. Children and grandchildren learn much more from sharing experiences than they ever will from the things we tell them.
- **Leadership transfer.** Give the next generation genuine leadership over something of value to them.

Become a multigenerational advisor.

As a multigenerational advisor, your job is to help your clients achieve the steps outlined above to build that foundation. To become your clients' multigenerational advisor:

- **Ask the right questions.** Ask open-ended questions to allow them to discover and articulate their core values, stories and life lessons.
- **Provide immortality.** Help them pass their story and life lessons to the children and grandchildren and build a structure that will keep the family together. Facilitate regular family meetings, and encourage them to develop, and regularly revisit their family story, life lessons and vision. An added bonus: This process builds a relationship with the next generations, helping you become their advisor.

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