

Behaviorally Smart Families

Introducing Financial DNA to families

Theme – “Closing the Relative Gap”

Message -Research studies show that the biggest destroyer of family wealth is a breakdown in communication and trust within the family unit.

The Financial DNA goals for families:

1. Understanding Differences

Help family members understand each other’s different behavioral styles which drive their unique life and financial perspectives. We seek to build a higher level of understanding, acceptance and respect of these differences so that every one can be who they are and happily co-exist in the family unit by adapting how they communicate and behave.

Ultimately, we want everyone in the family unit to be able to sit down at dinner and give thanks to each other.

2. Recognizing Impact of Wealth Transfer on Family Members

Wealth transfer is not just about what the giver of wealth wants. It is understanding the impact of wealth transfer on the next generations and what it will do to their lives. To understand the impact you need to know who they are in terms of talents, motivations, financial personality and capabilities.

3. Customizing Plans Which Balance Relationships and Results

The Family Continuity Plan (estate and investment plans) must be customized to meet the human and financial needs of the family members. A balance between preserving the family relationships, allowing family members to live independent lives and being fiscally responsible must be achieved. If the plan does not fit who the family members are it will ultimately break down.

4. Alignment of the Advisory Team

The advisory team is an influencer on the family decision-making. Therefore, having the advisors knowing how to communicate with each family member in order to build greater trust is critical. Also, the advisors need to know the impact of their biases on the solutions they offer the different family members

Approach:

1. Encourage safe **family conversations** while everyone is alive and not negative ones when it is too late
2. All family members and advisors **complete the Financial DNA Discovery** followed up with structured individual and family meeting facilitations which put everyone in the family in an equal place with the biases of perception removed.