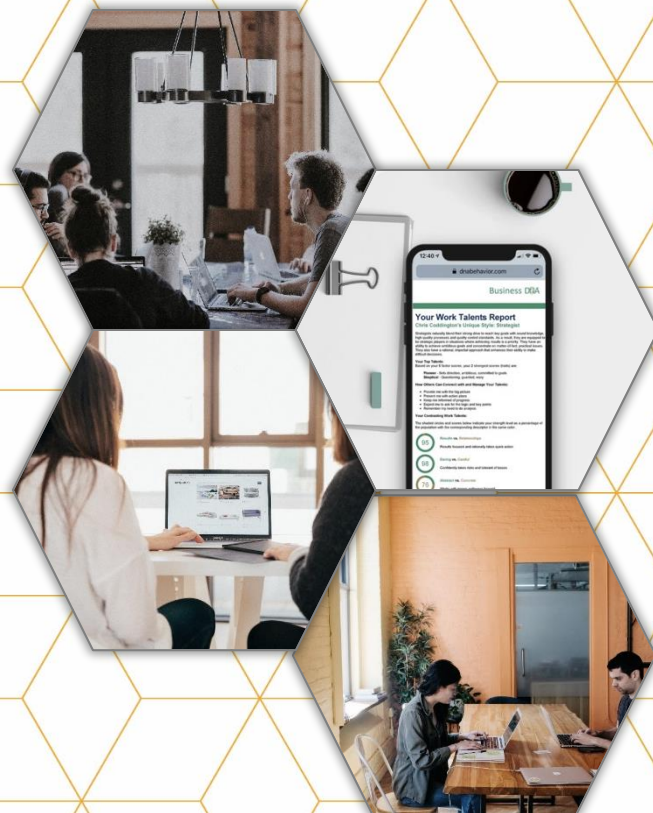


The Behavioral Finance Guide for Intergenerational Engagement



Money is Moving

It's estimated that 45 million U.S. households will transfer \$68 trillion in wealth over the next 25 years.

This unprecedented transfer of incredible wealth from one generation to another will substantially change the lives and fortunes of many Millennials.

To achieve a smooth transfer, and safeguard the family wealth, the Family Continuity Plan (estate and investment plans) must be customized to meet the human and financial needs of family members. A balance between preserving 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.

Further, thought must be given to the advisory team. As an influencer in the family decision-making, are the current advisors more suited to the older generation or should they include a younger more generationally in touch advisor into the family discussions? This gap needs to be bridged if advisors are to effectively connect with and serve the next generation.

Are the Next Generation Prepared?

Are the Next Generation Prepared? There is mixed thought on this. However, RBC in their recent survey notes the following:

- Millennials believe it's their responsibility to prepare for wealth transfer.
- Millennials are self-reliant, proactive, and eager to learn.
- Millennials are determined to acquire the knowledge they need to preserve and grow family wealth.
- 80% of Millennials want to understand their finances.
- A Majority (53%) of Millennials plan to better support their beneficiaries.

Unquestionably, those parents that are proactive to ensure their children are empowered, not entitled, with the money they expect to receive and approach the conversations as education both in terms of managing wealth, responsibility and family values, are more likely to preserve wealth and keep the family together for generations to come.

Generational wealth transfer is complicated, and while it's true to say young adults are not always open to discussions around the subject of their parent's retirement or death, research suggests the millennials are ready and poised to receive their inheritance. It's how they manage it, use it, preserve it that is likely to be different.

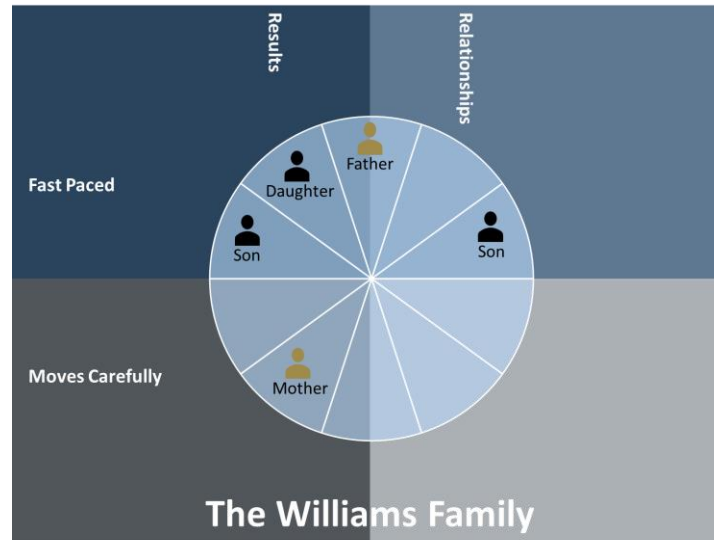
Knowing this can change family conversations.

Intergenerational Conversations

Everyone has a unique financial personality and behavioral style. Revealing it will form the foundation of healthy trust-building conversations and a higher level of understanding, acceptance, and respect for these differences. This is the first step to having successful conversations.

DNA Behavior®

Here is an example of a typical family. Mother, father, three siblings. All different, all opinionated, all with varying approaches to wealth creation.



Wealth transfer is not just about what the giver of wealth wants. It is understanding the impact of wealth transfer on the next generation 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.

Therefore, to be effective, these conversations must be two-way. What has seemed a successful approach to growing wealth from the parents' perspective may seem out of step with the next generation. With Generation X and Millennials revealing individual financial personalities will drive these open conversations.

The conversations need to be based on transparency to build trust. While the older generations might have valued their financial privacy, with the next generation there are some new variables to consider as they seem to talk about everything. They are socially conscience, their form of communication is social media and digital channels, so sitting down having a face to face conversation might prove tricky for all parties but is essential to avoid derailing the wealth transfer process.

Revealing Financial Personalities

Transformative conversations and exchanges can only happen when each party is aware of their unique behavior and personality. Money makes for passionate discussions. Knowing this and why reactions manifest around this subject is crucial.

Intensified behaviors caused by unmanaged human differences, money attitudes, pressure and emotions derail conversations. But why these occur and how they can be managed can be uncovered.

Using a scientifically validated tool such as DNA Behavior Natural discovery to reveal financial personality and behavior will provide an objective measurement of family member's passions and natural talents and approach to money.

It will also consolidate the families' approach to business, property and equity management as well as revealing purpose, values, passion and life meaning.

DNA Behavior®

This behavioral fit analysis will align natural interests and abilities for use in matching the financial advisory team to family members for engagement. Communication styles revealed for each advisor and family member will ensure a greater trust is built and sustained. Biases uncovered from all parties will be known and can be managed.

Deloitte makes a good point in their Millennial Wealth Management Trends [document](#): The financial crisis, as well as the volatility of financial markets, made millennials relatively cautious and conservative regarding financial matters. At the same time, millennials highly demand and make use of technological advances. Consequently, they consider technology and online platforms an important aspect of financial advice. Fifty-seven percent would even change their bank relationship for a better technology platform.

The information revealed through the Financial DNA Discovery platform will form the basis upon which safe family conversations can be built, and family wealth transferred and protected seamlessly.

Whether you are a parent, heir or financial advisor, take your individual Financial DNA discovery at our free trial link and then have a 15-minute discussion with us about API or how BeFi is used in generational responsible wealth transfer.

Ways To See It For Yourself:

- The best way to see how Financial DNA can be used for intergenerational engagement is to experience Financial DNA for yourself. Try Financial DNA for free today: [Click here to start](#).
- [Schedule a 15-minute discussion](#) with a DNA Expert.