Estate Planning and Trust Management for a Brave New World: It’s All in The Family…What’s a Family?

O Wonder! How Many Goodly Creatures are There Here! How Beauteous Mankind is. O Brave New World that has Such People In’t. Shakespeare, The Tempest V. i.

Prepared For:
D. C. Estate Planning Council

By:
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Executive Vice President
and Chief Fiduciary Officer
Generational Assignments And Attributes

Approximate Birth Years

- Lost Generation: 1883 - 1900
- G.I. Generation: 1900 - 1926
- Silent Generation: 1927 - 1945
- Boomer Generation: 1946 - 1964
- Generation X: 1965 - 1981
- Millennial Generation: 1982 - 2002

Traditionalists
### Traditionalists - The Adaptive Generation

**Defining Question:**
Where Were You on D-Day?

**Technology Question:**
When Did Your Family Get a Radio?

**Grew Up During Depression,**
Many in Multi-Generational Households

**Parental Model – Breadwinner & Bread Baker**

**Children Obey Adults**

**Personal Responsibility and Self-Sacrifice Undergird Modesty**

**Character Traits:**
- Dutiful
- Frugal
- Committed (Marriage, Employment)
- Respectful (Authority, Institutions, Government)
- Accelerated Adulthood
- Strong Work Ethic
- Delayed Gratification
- Decision Making: Command and Control
- 89% Religiously Affiliated
- 6% Have Tattoos
**Defining Question:** Where Were You When President Kennedy Was Shot?

**Technology Question:** When Did Your Family Get Its First Television?

**Parental Model – Breadwinner & Bread Server**

- Children Accommodated Adults

**Character Traits:**

- Optimistic – Hard Work & Loyalty Lead to Personal Gratification
- Competitive (We Choose Sides)
- Rejected then Embraced Authority
- Adulthood Leads to the American Dream

**Grew Up in Two-Generation Households (for first time)**

**Competence and Expertise Before Self-Esteem**

- Live to Work
- Decision Making: Consensus
- 83% Religiously Affiliated
- 15% Have Tattoos
Gen X - The Reactive Generation

Defining Question: How Old Were You When Your Parents Got Divorced?

Technology Question: When Did Your Family Get Its First Computer?

Parental Model – Breadwinner & Breadwinner (Latch-Key Kids)

More Likely to Grow Up in a Divorced Household

Children Teach Adults

Self-Reliance and Validation Lead to Self-Esteem (and Entitlement)

Character Traits:

→ Skeptical (Marriage, Corporations, Government)
→ Private
→ Suspicious of Authority
→ Adulthood Will be Less Prosperous than Parents’

→ Work/Life Balance is Very Important
→ Decision Making: Pragmatic, Independent, Impatient
→ 77% Religiously Affiliated
→ 32% Have Tattoos
Millennials - The Civic Generation

Defining Question:
Where Were You on 9/11?

Technology Question:
How Old Were You When You Got Your First iPhone?

Grew Up in Diverse Households

Parental Model – Breadwinner & Breadwinner

Adults Accommodate and Consult Children

Self-Esteem Precedes Competence

Character Traits:

- Optimistic
- Collaborative, Tolerant
- Technologically Savvy, Multi-tasking
- Socially Responsible, Multi-Cultural
- Delayed Adulthood

- Work to Live…But Seek Responsibility and Recognition
- Decision Making: Net-Educated, Networked
- Largest and Most Racially Diverse U.S. Generation
- 65% Religiously Affiliated
- 38% Have Tattoos
Trends In The Prevalence Of Households By Type

American Families

31% Households Without Children
35% Traditional Heterosexual - Married - Children
34% Modern
- Blended
- Multi-generational
- Same Sex
- Single Parent

*United States Census Bureau “America’s Families and Living Arrangements” (2013)
Trust Design: Statements of Intent*

Instructions to the Trustee (and Other Fiduciaries)

Letters of Wishes
- External
- Generally unenforceable (in the U.S.)

Precatory Language
- Internal
- Aspirational

Statement of Intent: Explicit, unambiguous purpose for wealth transfer
- Language within the trust document
- Demonstrates a unique intention that is tied to the grantor’s personal history, personal values or personal properties
- Articulates a direct link between unique personal intent and the purpose of the trust
- Expresses grantor’s view on modification and termination
- Provides context for the trustee’s exercise of discretionary powers

Public Policy Limitations

## Family Collaboration and Decision Making

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## Family Decision Making Continuum

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