

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

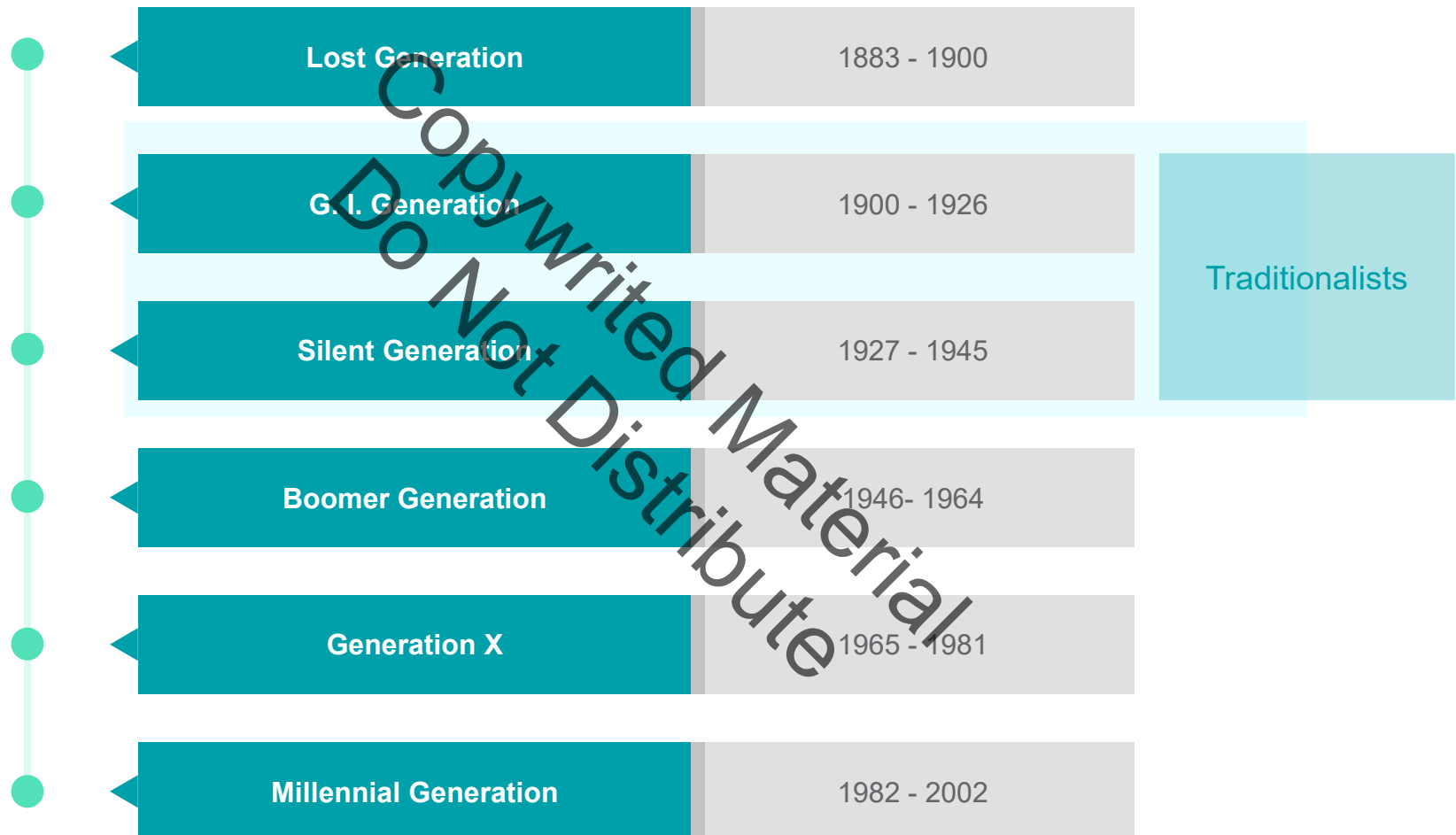
O Wonder! How Many Goodly Creatures are There Here!
How Beauteous Mankind is.
O Brave New World that has Such People In't.
Shakespeare, The Tempest V. i.

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Generational Assignments And Attributes

APPROXIMATE BIRTH YEARS



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

Boomers - The Idealistic Generation

Defining Question:

Where Were You When President Kennedy Was Shot?

Technology Question:

When Did Your Family Get Its First Television?

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

Parental Model – Breadwinner & Bread Server

Children Accommodated Adults

Competence and Expertise Before Self-Esteem



Character Traits:

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

More Likely to Grow Up in a Divorced Household

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

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

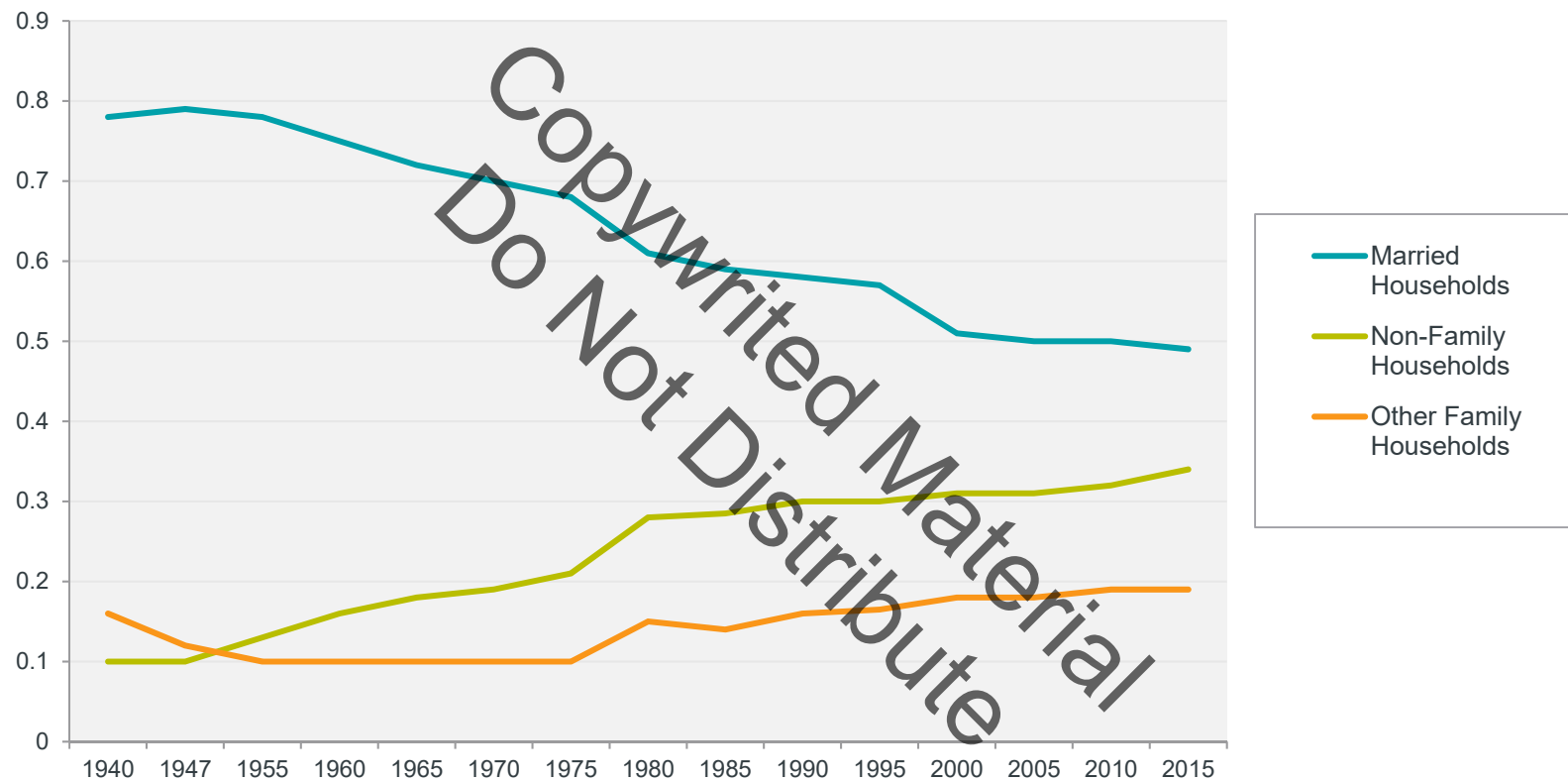
Adults Accommodate and Consult
Children

Self-Esteem Precedes
Competence


Character Traits:

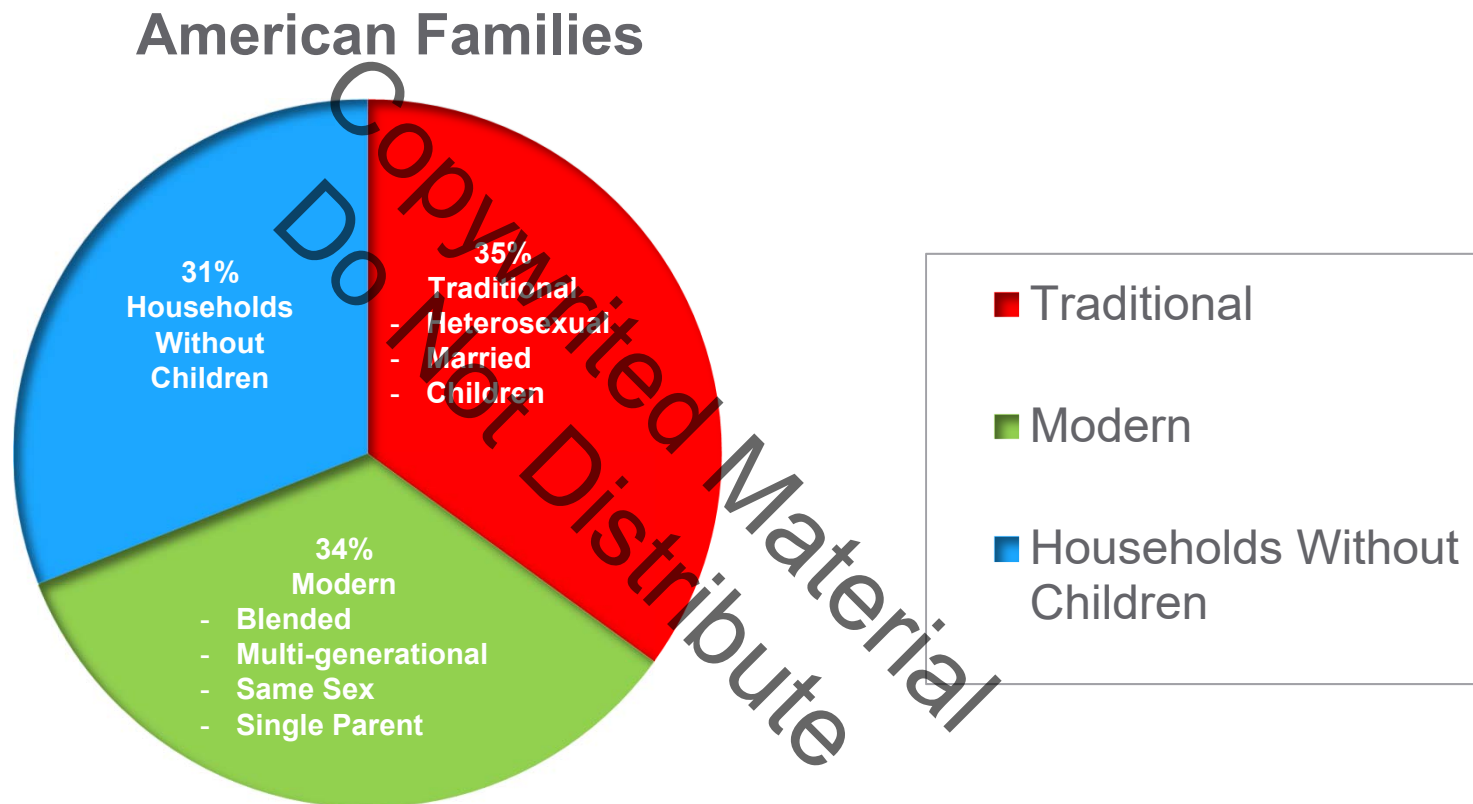
- Optimistic
- Collaborative, Tolerant
- Technologically Savvy, Multi-tasking
- Socially Responsible, Multi-Cultural
- Delayed Adulthood
- Work to Live...But Seek Responsibility and Recognition
- Decision Making: Net-Educated, Networked
- Largest and Most Racially Diverse U.S. Generation
- 65% Religiously Affiliated
- 38% Have Tattoos

Trends In The Prevalence Of Households By Type



Source: U. S. Census Bureau, Decennial Census, 1960, and Current Population Survey, Annual Social and Economic Supplements, 1968 to 2015

Composition of American Families*



*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

*Raymond C. Odom, The "Goal Standard" of Estate Planning (2016)

Family Collaboration and Decision Making

I

What's the Issue?

II

Who's Family?

III

Who's at the Table?

IV

Which Table?

V

Who Has Decision Rights?

Family Decision Making Continuum



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