

## THOUGHTS FOR THE WEEK

## STEWARDSHIP AND FAMILY WEALTH

October 18, 2024

Our September 6<sup>th</sup> *Thoughts for the Week* talked about the importance of “playing long games” - the power of vision, effort, patience, and persistence applied over long periods. Long Games are played when we recognize that we have long time horizons over which to create the life we want, that we can each determine what “winning” means for us, and that life forms around intention. No matter your background, the ultimate long game is passing your values, learning, and resources to the next generation - your children, grandchildren, nieces, and nephews. We have yet to meet the family that *doesn't* want the next generation to thrive, to make responsible use of the resources, to lead productive lives, to stay connected as a family, and to give back in some way. The intentions are universal. But how do successful families turn these intentions into reality?

A recent two-part article, *How Wealthy Multigenerational Families Can Instill a Culture of Stewardship*, holds lessons (links follow below). The authors, Dennis Jaffe, a clinical psychologist and organizational consultant, and his colleague, Amy Hart Clyne, work with families to help transfer their businesses, wealth, values, commitments, and legacies between generations. Here's what they found:

**What Works**

- Encouraging stewardship values through policies and actions based on mutual trust and respect, collaboration, transparency, shared goals, and active engagement.
- Basing the family culture on gratitude and a sense of shared obligation to do well with what is received.
- Creating a stewardship mindset where family members are encouraged to focus on what they are expected to contribute, and how to use their resources to make a difference.
- Expecting children to take the family and their wealth seriously, and to sign on as active family “citizens,” dedicated to making the family culture endure, even as they pursue independent paths.
- Setting clear expectations that help family members understand what stewardship involves and what responsibilities, qualifications, and expected behaviors lead to success as an adult in the family or family enterprise. Examples include developing financial literacy, understanding the family estate plan, actively engaging in family discussions, and creating and executing a personal development plan.
- Finding tasks, activities, and pathways for the next generation to add value to the family or the family enterprise, and providing the learning or guidance required that helps build skills. This could be as simple as helping pay bills and monitor family spending, assisting in making grants from the family Donor Advised Fund, participating in a family philanthropy meeting, helping organize an

annual retreat, participating in a family council, or taking a summer job in the family office or family business.

- Helping younger family members grow into leadership roles as they demonstrate the commitment and capabilities to add value, and holding senior family members accountable for mentoring younger generations, and ultimately passing the torch.
- Creating opportunities for new family members such as spouses to learn your family culture's principals.
- Recognizing that families are tribes and that tribal cultures have traditions, policies, rules, and rites of passage that govern how the tribe works and provide the pathways to develop into tribal (family) leaders.

### **What Doesn't Work**

- Entitlement. Family members become "entitled" when they focus on what they have, instead of on what they are expected to contribute, viewing wealth as a prize, not an obligation to serve.
- Carrot-and-stick approaches. Attaching inheritance to strict rules regarding behavior is rarely enough to ensure stewardship without ongoing teaching, reinforcement, and modeling by the entire family.
- Top down command. A successful family has shared culture and values, and not ones derived from the orders of a key individual.

Creating a family culture of stewardship is not a quick fix. It's a long game that requires ongoing engagement, learning and respect for the family's shared journey that each new generation undertakes, even as each member pursues their own independent path. Our team, and Morgan Stanley's Family Office Resources, can provide Family Governance & Wealth Education to help inform your family's journey building and maintaining a strong culture— wealth education curriculum, in-person NextGen programs, hosting family dynamics meetings, to list just a few. Let us know if we can help further build your family's stewardship culture.

Enjoy your reading and your weekend,

The Burbank Group  
Mike, Cate, Scott, Willis, Suzy, Oscar and Wes

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Source:

[How Wealthy Multigenerational Families Can Instill a Culture of Stewardship Part I: Setting Baseline Agreements for Stewardship Behavior \(ffi.org\)](#), Dennis T. Jaffe, PhD, FFI Fellow, and Amy Hart Clyne, FFI Fellow, September 4<sup>th</sup>, 2024, The Family Firm Institute

[How Wealthy Families Can Instill a Culture of Stewardship Part II: From Value Contribution to Leadership—Increasing Engagement in the Rising Generation \(ffi.org\)](#), Dennis T. Jaffe, PhD, FFI Fellow, and Amy Hart Clyne, FFI Fellow, September 11<sup>th</sup>, 2024, The Family Firm Institute

Awards:

**2024 Barron's Top 250 Private Wealth Management Teams**

Source: barrons.com (Awarded May 2024) Data compiled by Barron's for the period Jan 2023-Dec 2023.

**2024 Forbes Best-In-State Wealth Management Teams**

Source: Forbes.com (Awarded Jan 2024) Data compiled by SHOOK Research LLC based on time period from 3/31/22-3/31/23.

**Mike Burbank | 2019-2020 & 2022-2024 Forbes Best-In-State Wealth Advisors**

Source: Forbes.com (Awarded 2019-2020 & 2022-2024). Data compiled by SHOOK Research LLC based 12-month time period concluding in June of year prior to the issuance of the award.

**Mike Burbank | 2017-2024 Barron's Top 1,200 Financial Advisors: State-by-State** (formerly referred to as Barron's Top 1,000 Financial Advisors: State-by-State)

Source: Barrons.com (Awarded 2017-2024). Data compiled by Barron's based on 12-month period concluding in Sept of the year prior to the issuance of the award.

**Mike Burbank | 2013-2020 Financial Times 400 Top Financial Advisors**

Source: ft.com. Data compiled by the Financial Times based the following time periods:

Awarded 2013-2020; data 12/31/12 - 6/30/19

[Awards Disclosures](#)

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