

Empowering Future Wealth Leaders: Lessons from a Yearlong Journey with the Rising Generation

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I recently wrapped up a one-year journey with a select group of Pitcairn clients from our rising generation community. This group of a dozen young current and future wealth owners came together each month to talk, share, and learn, all to become better stewards of their family's wealth. They ranged in age from 25 to 41. A few were siblings or cousins, but most didn't know each other before the group formed.

Across the 12 months, we covered many topics that were especially relevant to future family enterprise leaders. For example, effective communication and conflict management, enhancing generational relationships, developing resilience and grit, and achieving lasting impact through philanthropy. We also frankly discussed stumbling blocks these young people had encountered or might encounter while preparing for leadership roles. As one participant said at the end of the program: "We're in our family bubble, and just being able to talk to other peers and amazing experts has been very special. This community has been helpful because our families have never really done this."

In this article, I highlight a few issues that routinely challenge the rising generation and strategies for navigating them.



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Mistaking the True Meaning of Wealth

In our culture, it's common to equate wealth with money. But wealth is so much more than that. Wealth comes from the Old English word for "well-being." When families understand the true meaning of wealth, they use their financial resources to support all aspects of the family's development and can better ensure well-being across multiple generations. Embracing this holistic perspective helps rising generations prepare for future roles as wealth stewards and family leaders.

Underestimating the Effects of Family Culture

Family culture is a powerful tide that shapes family interactions and guides decision-making. Rising generations might not think much about their family's culture and maybe aren't even fully aware of it, but culture is a thread that comes down through the generations. Any trait baked into your family's identity — loyalty, service, generosity, frugality, industriousness, patriarchy — will affect family dynamics, sometimes to the good and other times to the detriment of the family or individual members. Recognizing that impact will undoubtedly smooth your path. Which is not to say you shouldn't butt up against family culture. Rising generations can be family culture innovators. Be sensitive to the culture, whether you accept it or work to change it.

Getting Locked in a Role

Your parents or grandparents have built substantial wealth. They may be your primary source of income, paying your expenses and disbursing discretionary funds for your use. They have all the power for now, and it's easy to play the child when your parents "have it covered." Keeping your eyes on the future and the role you'd like to see yourself play is the best way to overcome this pitfall. There is a plan for the family money, and it's up to you to understand the plan and then learn to live within it or seek a new approach and strategy. If you and your parents haven't talked in detail about what the future holds, the sooner you do, the better.

Skirting the Learning Curve

Lifelong learning goes hand-in-hand with being a successful, effective wealth steward. Anything that gets in the way of learning — entitlement, passivity, laziness, fear, lack of resources — is an obstacle for families of wealth and particularly members of rising generations. Learning is how we build competence, confidence, and self-esteem. Learning together is how families grow together and stay together. Families who commit resources to develop all family members increase the likelihood they will flourish over multiple generations. Be the catalyst to help your family embrace a culture of learning if they haven't already.



Confusing the Owner's Role with the Beneficiary Role

Many families use trust structures as vehicles to transfer wealth. Trusts have grantors who own and control the trust and beneficiaries who may someday own the assets, but not yet. Understanding these legal definitions and the roles and responsibilities of owners and beneficiaries can eliminate a great deal of tension between current family leaders and rising generations. I recall a situation where a mother and daughter suffered through painful conflicts because they disagreed on managing trust assets. Ideally, they would have had a dialogue and come to a mutual agreement, but in the end, the mother created the trust and was the trustee, and it was her right and responsibility to direct it. A combination of education and open communication helps families surmount this potential pitfall.

Prioritizing Speed Over Patience and Care

We are all impatient at times, especially young people who yearn for greater autonomy and a clear role. However, trying to make fast work out of a slow process rarely yields the desired results. This is particularly true for wealth management, family governance, and legacy issues.

It takes time. First, there is learning to form a foundation. Next comes conversation and engagement to understand family identity and shared values. Finally, there is compromise to establish family roles and a decision-making framework. No matter how smartly you go about it, governance and legacy are slow work.

Not Preparing for Wealth

In the past, financial resources were considered the most important and sometimes the only focus of a family's wealth planning. Families had a team of advisors to prepare and grow the money for the family. Far less attention was paid to preparing the family for the money. But no one is born with the innate ability to be a good wealth steward, and few schools educate students in financial literacy, let alone a nuanced, holistic concept of wealth. Commitment to learning and family engagement is essential for avoiding this potential pitfall.

Not Owning Your Future

When your family is ultra-wealthy, the assurance of future financial security may lull you into complacency. However, financial security is just one component of a fulfilling life. We are all called to be the

authors of our own stories, and no one should wait for life to be handed to them. I often coach members of rising generations as they search for their purpose, and I enjoy going through a process of self-discovery with them. Ultimately, of course, you must own your own future and do the work to shape it. I was so gratified when one G4 participant told me that Pitcairn's RisingGen community had gotten her over this hurdle. "This experience has given me the huge freedom to own my story," she said.

Eclipsed by the Meteor

An important mentor of mine, Jay Hughes, a renowned family advisor and author, compares the genesis of family wealth to a meteor. The "meteor" (wealth creation event) has far-reaching implications beyond the initial impact. It's very easy for members of rising generations to get stuck so close to the meteor that it pulls them into a crater or leaves them lost in the shadow. I am a passionate proponent of distancing yourself from the meteor and finding a way to make your own impact.

Engaging with Pitcairn's first RisingGen peer group has been a rewarding and enlightening experience for me. Talking with them about potential pitfalls and strategies to overcome them was an important part of our yearlong journey together. I was truly humbled by their willingness to be vulnerable — that openness was at the heart of what several called a transformative experience.

The RisingGen community is just one example of Pitcairn's family engagement offerings, which include life design and personal development, personalized learning, coaching, and peer enrichment. Through family engagement, Pitcairn helps family members find their own personal superpowers and helps families find power in shared goals, values, and history.



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