

Creating a Dialogue

What's the purpose of your wealth? It's a complex question and everyone has a different answer because every family is unique. As a result, there isn't a simple, one-size-fits-all approach to achieving the purpose that's right for everyone.

It's possible you've never articulated your financial vision. What are your goals? To leave a legacy of charitable impact? To have a comfortable retirement without worry? Would you like to retire abroad? Do you want to provide your children with enough financial security that they have a safety net, but not a hammock? Maybe your goal is to transition the family business to the next generation in a way that supports family harmony.

Managing family wealth today is very complicated, and the risks of getting it wrong are high. That's why it's important to have a clear understanding of your goals and motivations — and to articulate your vision not only to your advisors, but also to members of your family. Perceived or real conflicts between family member goals can make discussing wealth, especially new wealth, uncomfortable. Still, creating an open and ongoing dialogue about your family's wealth is critical since 70 percent of estate transfers fail within one generation, according to a study conducted by The Williams Group, which examined the long-term effects of wealth transfers in 3,250 families.

It's also important to review your investment and wealth management plans on a regular basis so you're aware of changes in the markets or regulatory environment and can take advantage of any opportunities. For example, current gifting exemptions, which include an inflationary adjustment over last year — \$5.12 million for individuals and \$10.24 million for couples, with a top federal tax rate of 35 percent — expire at the end of 2012. Barring any action by Congress, the exemptions drop to \$1 million and \$2 million, and the gift tax rate jumps to 55 percent.

So while you're enjoying a summer respite from the demands of your day-to-day world, take a moment to reflect on your wealth goals and continue to share those goals with us and your family. This may help to ensure that all your goals become realities.

Sincerely,



Mark Jordahl, President,
Wealth Management Group



Michael Boardman, President,
The Private Client Reserve

We're passionate about helping you articulate the purpose of your wealth so that we can provide real advice to help you meet your real goals.



Photo by Alexander Zoltai

OUR MISSION: *To enrich the lives of our clients by honoring their unique goals.*