

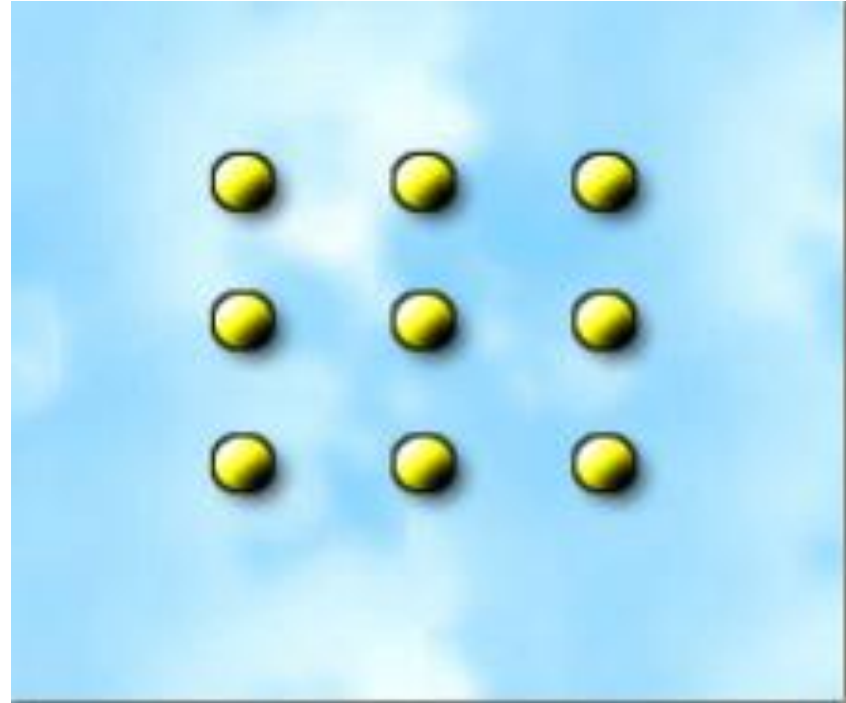
Passing the Baton in a Generational Relay Race

Estate Planning Council of Central Texas
November 20, 2019

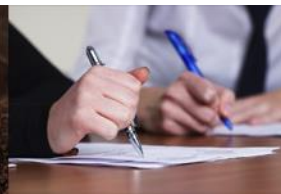
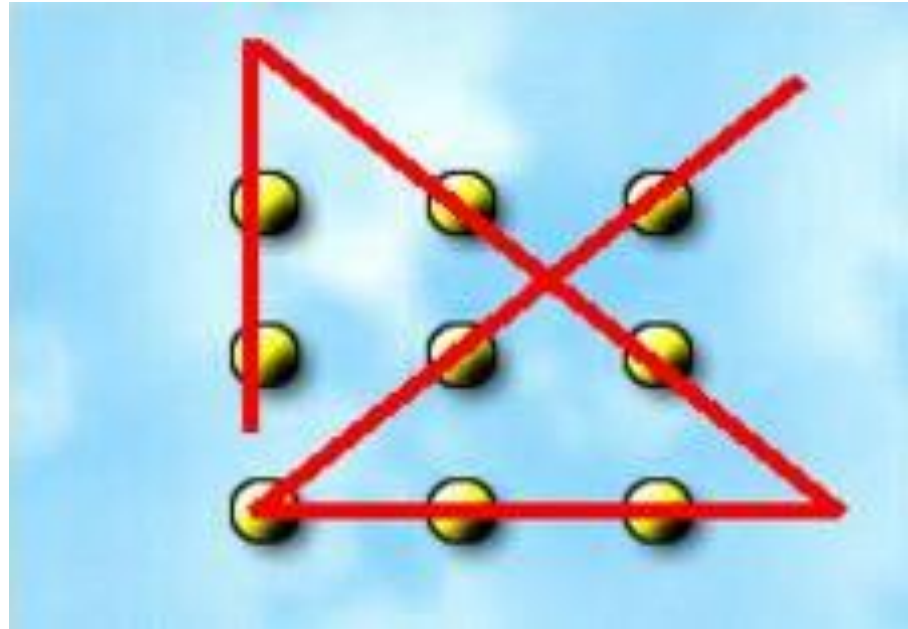
“Our souls are not hungry for fame, comfort, wealth or power. Those rewards create almost as many problems as they solve. Our souls are hungry for meaning, for the sense that we have figured out how to live so that our lives matter, so that the world will at least be a little bit different for our having passed through it.” - Harold Kushner



Think
outside
the box

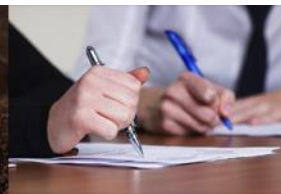


Think
outside
the box



Insanity – doing the same thing over and over again and expecting different results.

-Albert Einstein



70/80/90

Wealth Transition Failures

70% of wealth
transitions fail* (Williams & Preisser)

*Defined as “involuntary loss of
control of assets”



70/80/90

Beneficiary Dissatisfaction

80% of trust beneficiaries
consider their trust a burden

-Jay Hughes

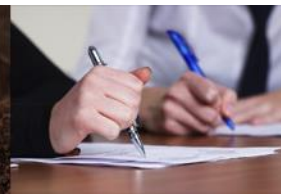
Special thanks to Jay Hughes who helped inspire
much of the content in this presentation.



70/80/90

Asset Survival

90% of financial assets that survive 2G will be held in trust



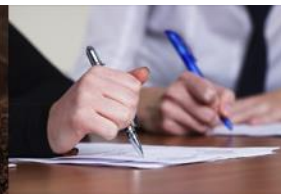
Shirtsleeves
to
Shirtsleeves

G1 – Entrepreneur Generation

G2 – Spendthrift Generation

G3 – Lost Generation

G4 – Lament Generation

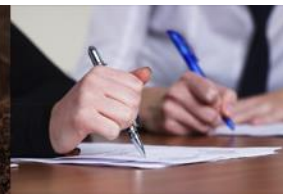


Why does the proverb keep winning?



Legacy - the total sum of values and vision we leave to others in the forms of tangible and intangible assets.

David McAlvany



Smart & Healthy

Smart (Mind)

Hard Structures

Tangible Assets

Entities

Trusts

Written plans

Financial Accounts

Healthy (Heart)

Soft Structures

Intangible Assets

Culture/Identity

Family History

Values

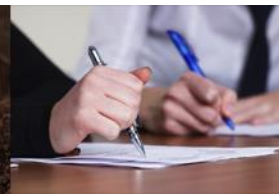
Processes

Vision & Mission

Communication

Trust

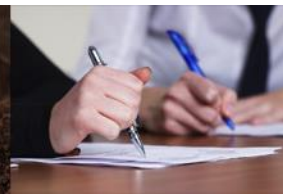
Reputation



The Focus is on Smart

“Leaders prefer to look
for answers where the
light is better.”

- Patrick Lencioni

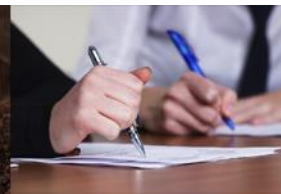


The Case for Healthy

Smart vs. Healthy

An organization that is healthy will inevitably get smarter over time. In contrast, smart organizations don't seem to have any greater chance of getting healthier by virtue of their intelligence.

Patrick Lencioni

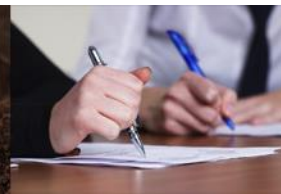


The Richest Man in Babylon

An example of Smart & Healthy

A bag heavy with gold or a clay tablet carved with words of wisdom?

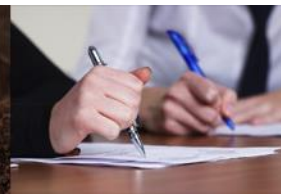
How much better to get wisdom than gold!
To get understanding is to be chosen rather than silver. Proverbs 16:16



The Richest Man in Babylon

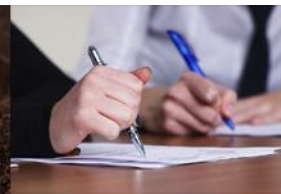
The Five Laws of Gold

1. Gold cometh gladly and in increasing quantity to any man who will put by not less than 10% of his earnings for his future and that of his family.
2. Gold laboreth diligently and contentedly for the wise owner who finds for it profitable employment, multiplying as the flocks of the field.
3. Gold clingeth to the protection of the cautious owner who invests it under the advice of men wise in its handling
4. Gold slippeth away from the man who invests it in businesses or purposes with which he is not familiar or which are not approved by those skilled in its keep.
5. Gold flees the man who would force it to impossible earnings or who followeth the alluring advice of tricksters and schemers or who trusts it to his own inexperience and romantic desires in investment.



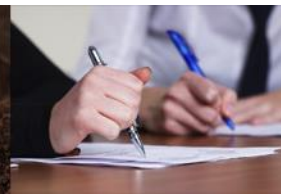
The Focus is on Healthy

**What do families do to
become healthy?**



The Focus is on Healthy

1. Grow their four qualitative capitals with support from their single quantitative capital.



FISHS

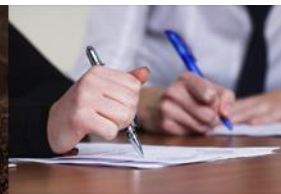
F – Financial Capital

I – Intellectual Capital

S – Spiritual Capital

H – Human Capital

S – Social Capital

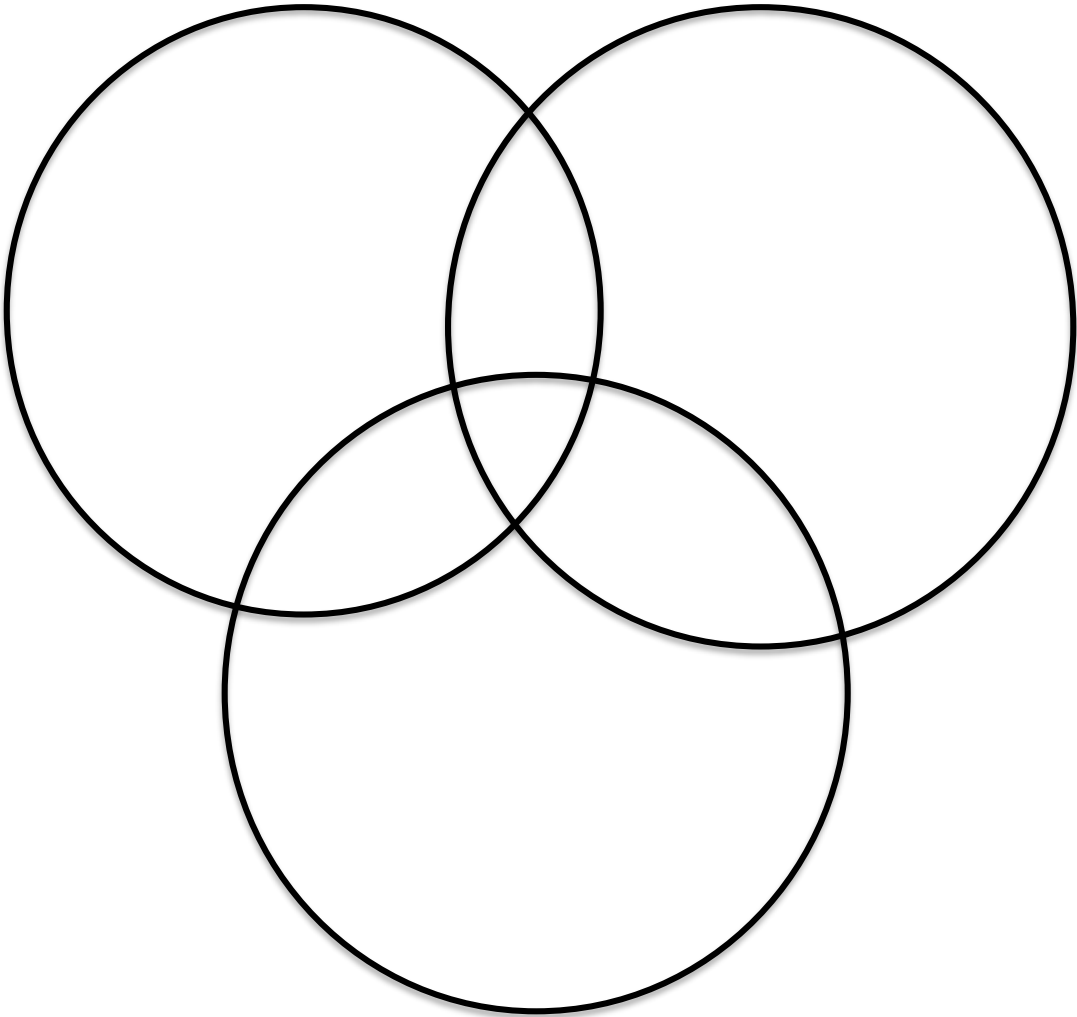


The Focus is on the Beneficiary

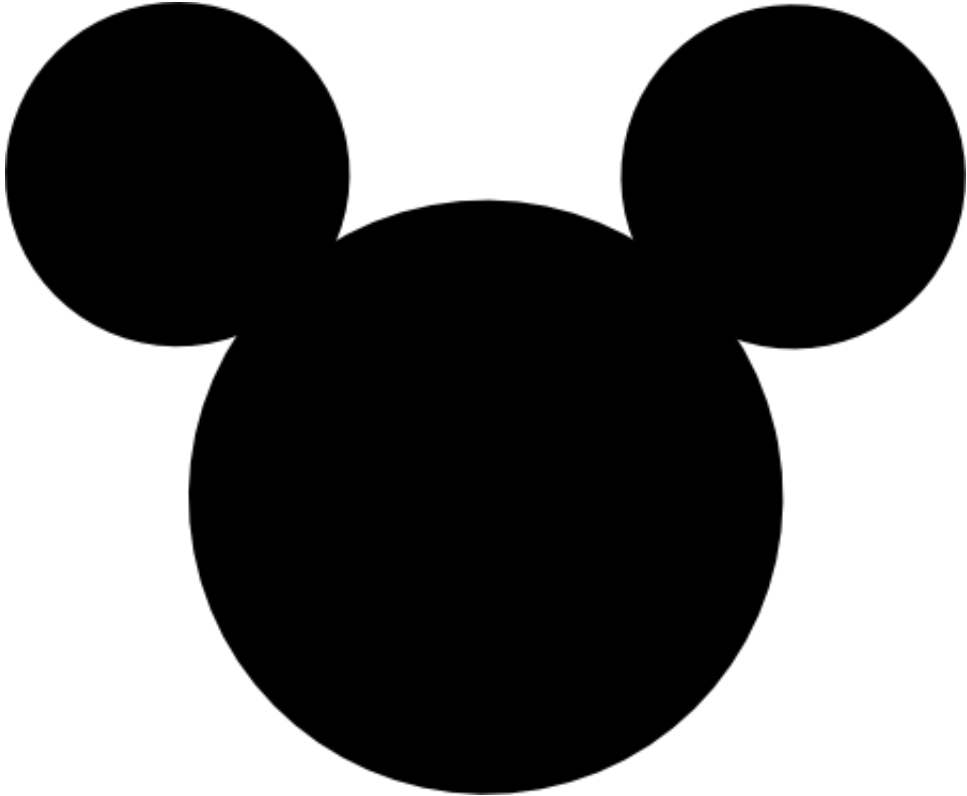
2. Focus on the Beneficiary



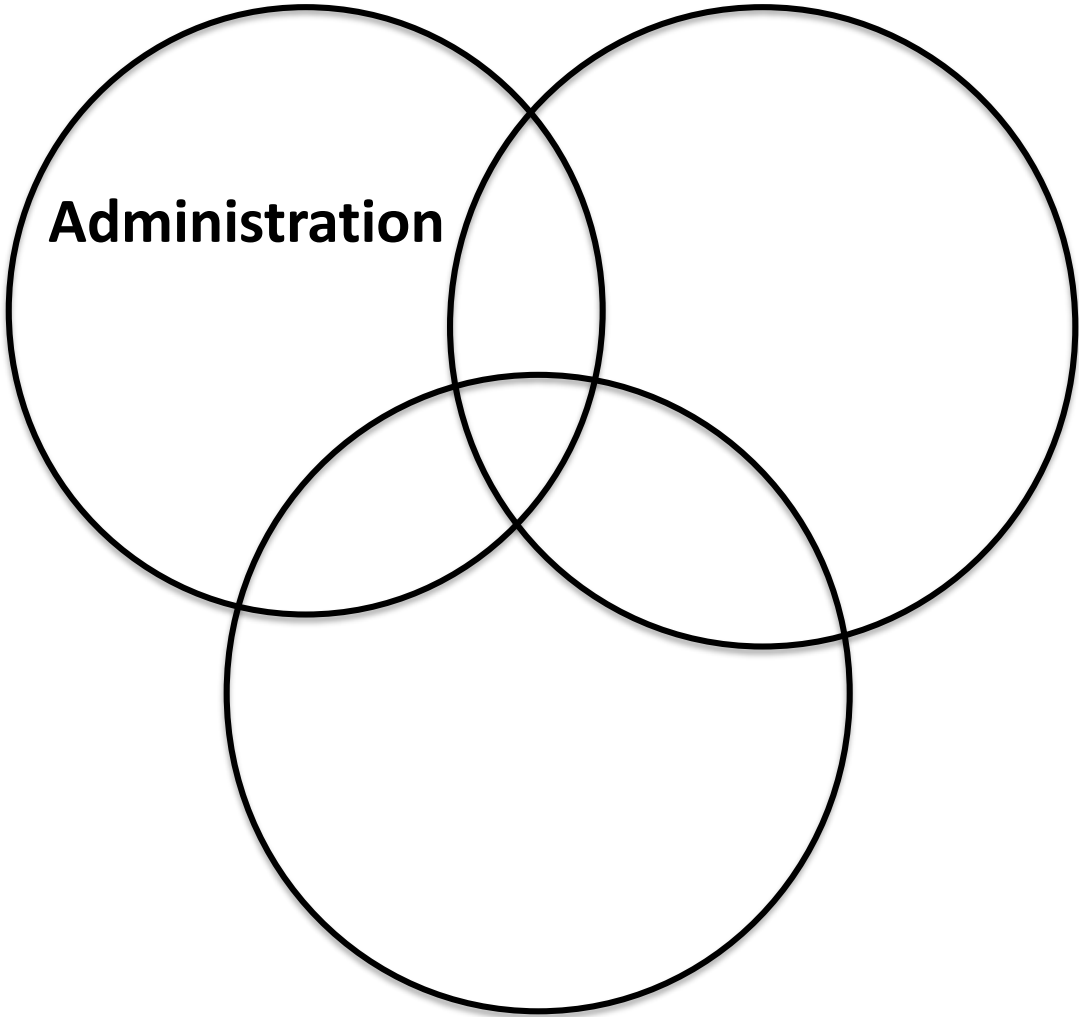
Trustee Time



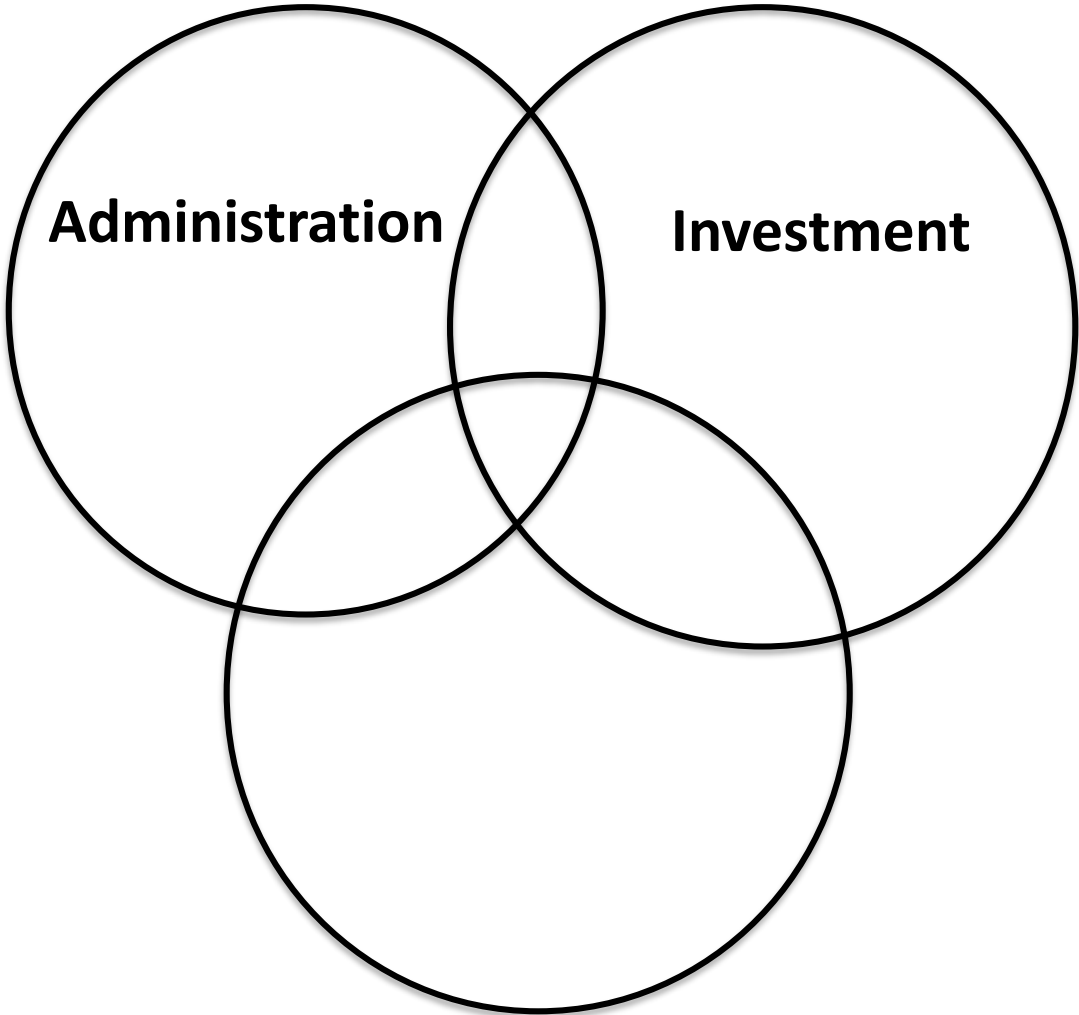
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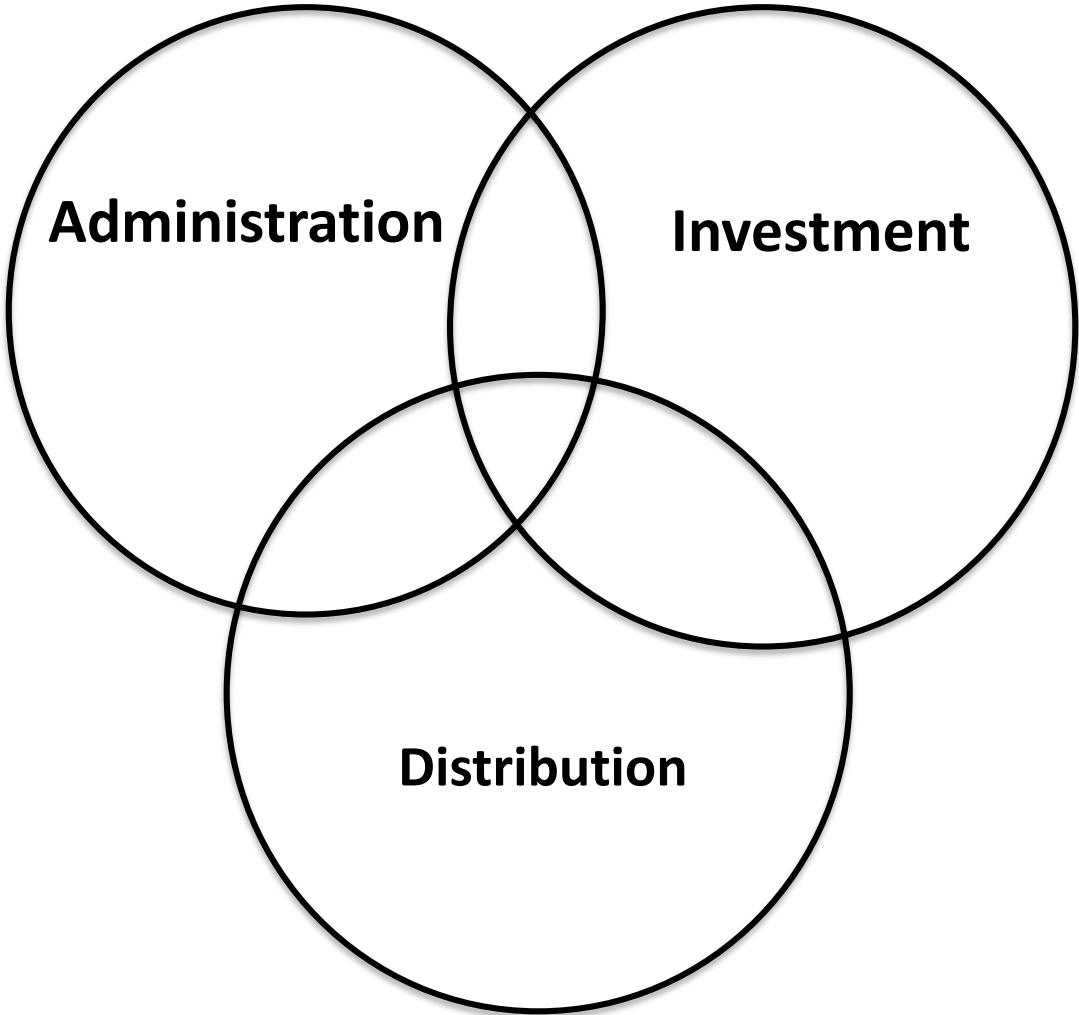
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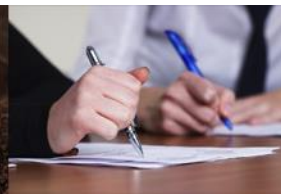
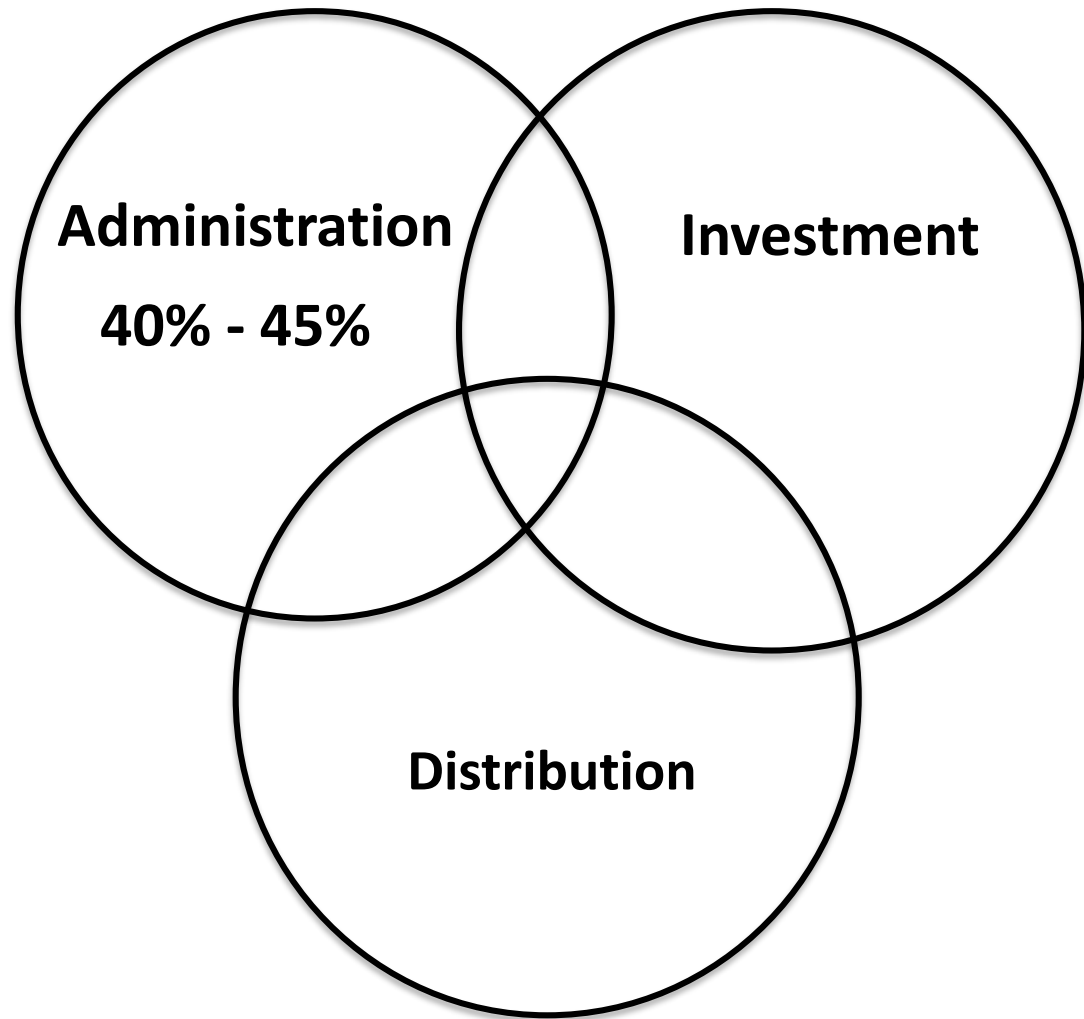
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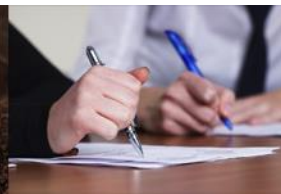
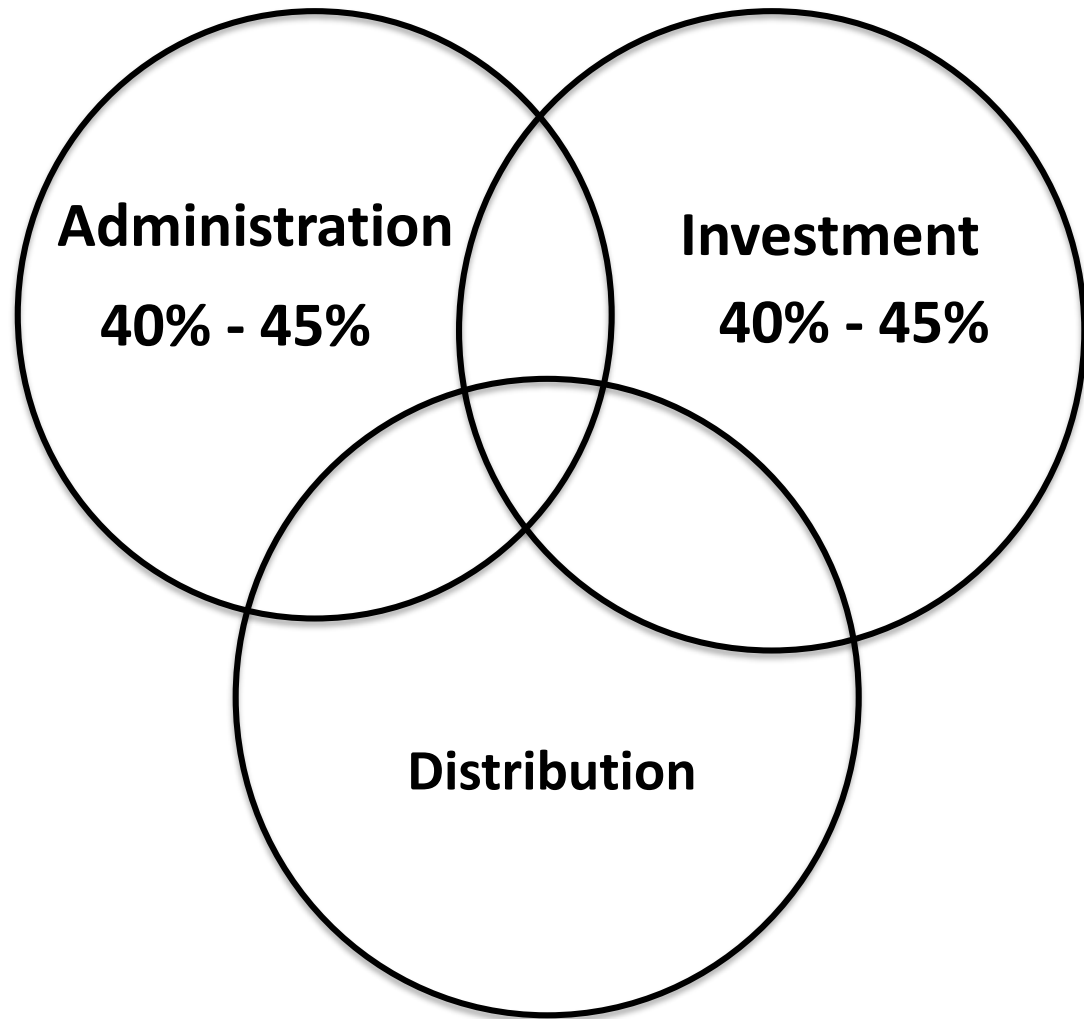
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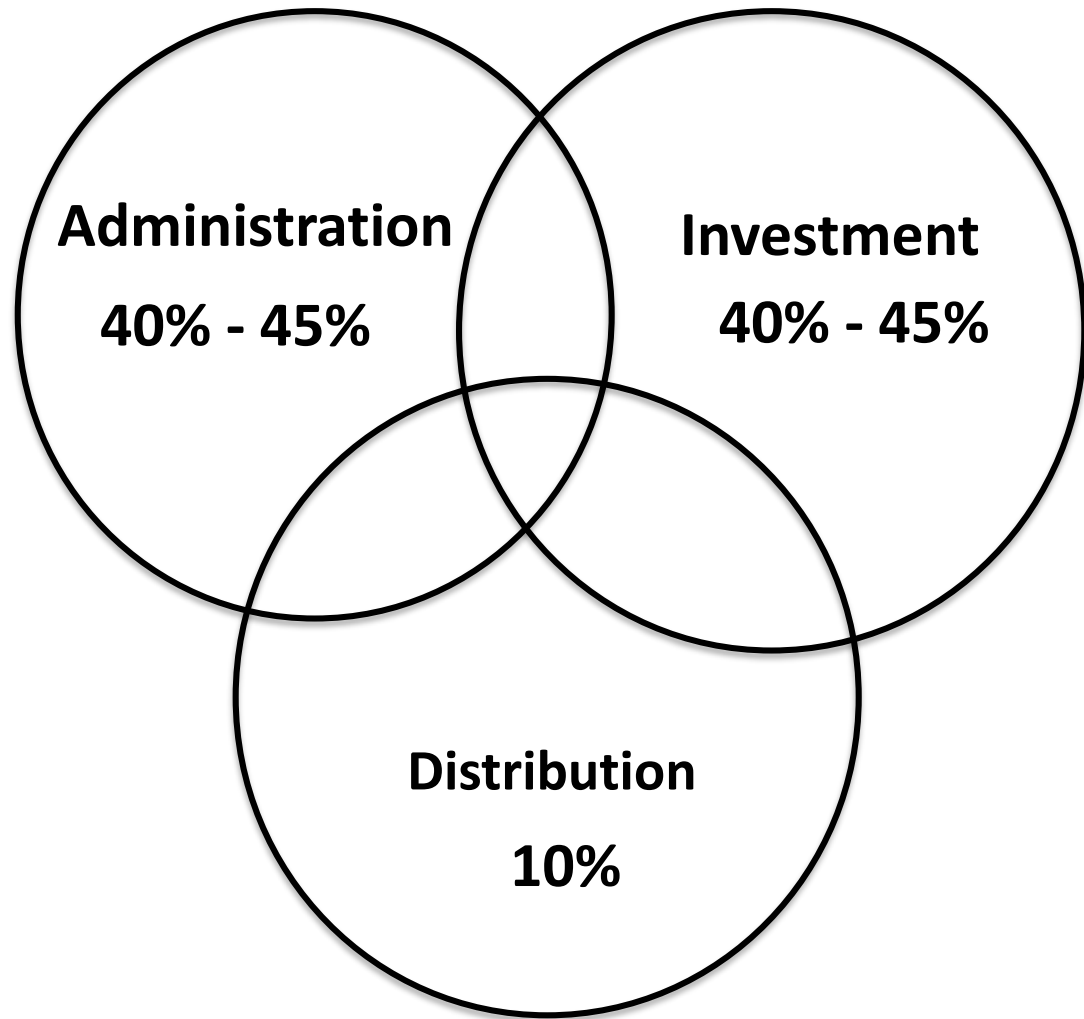
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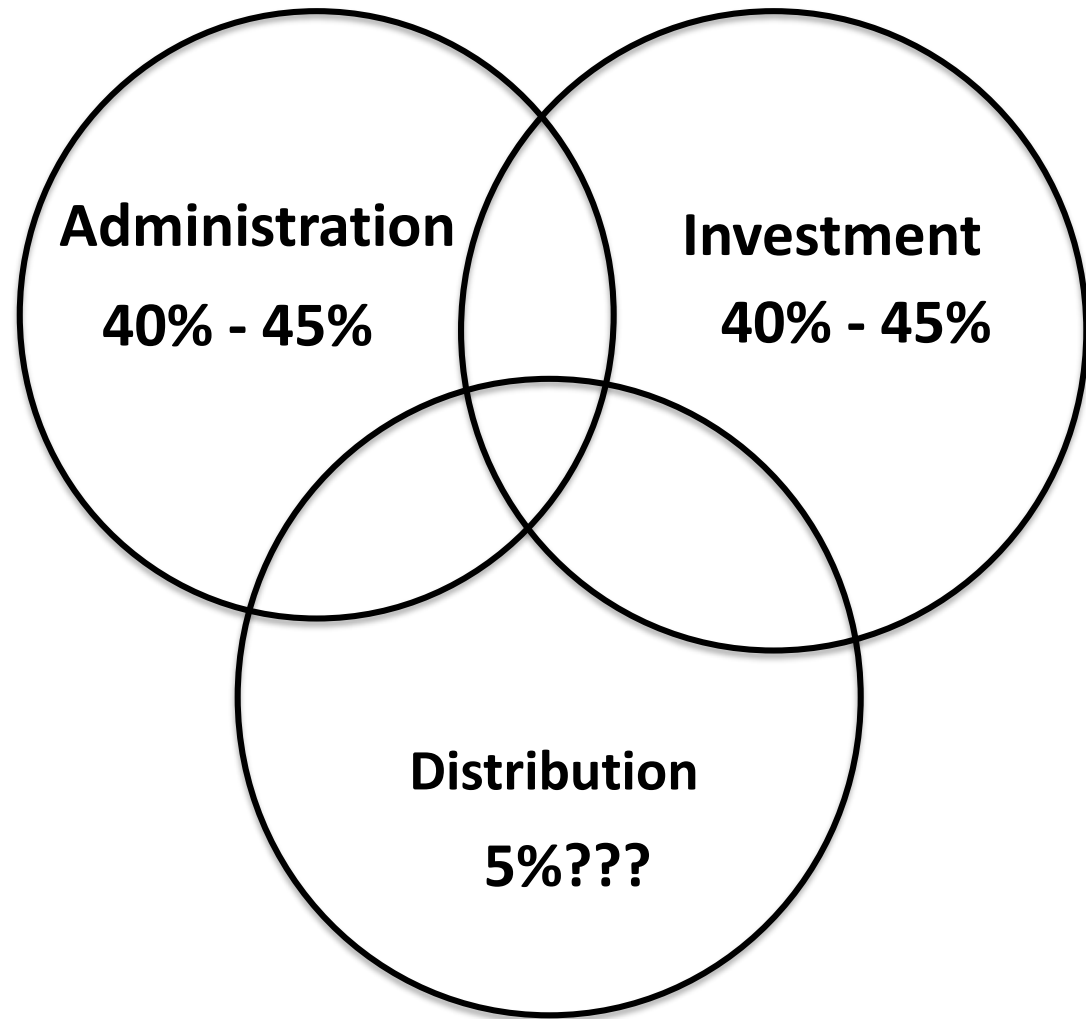
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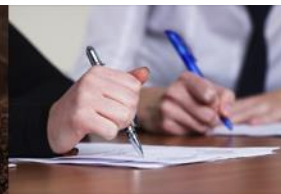
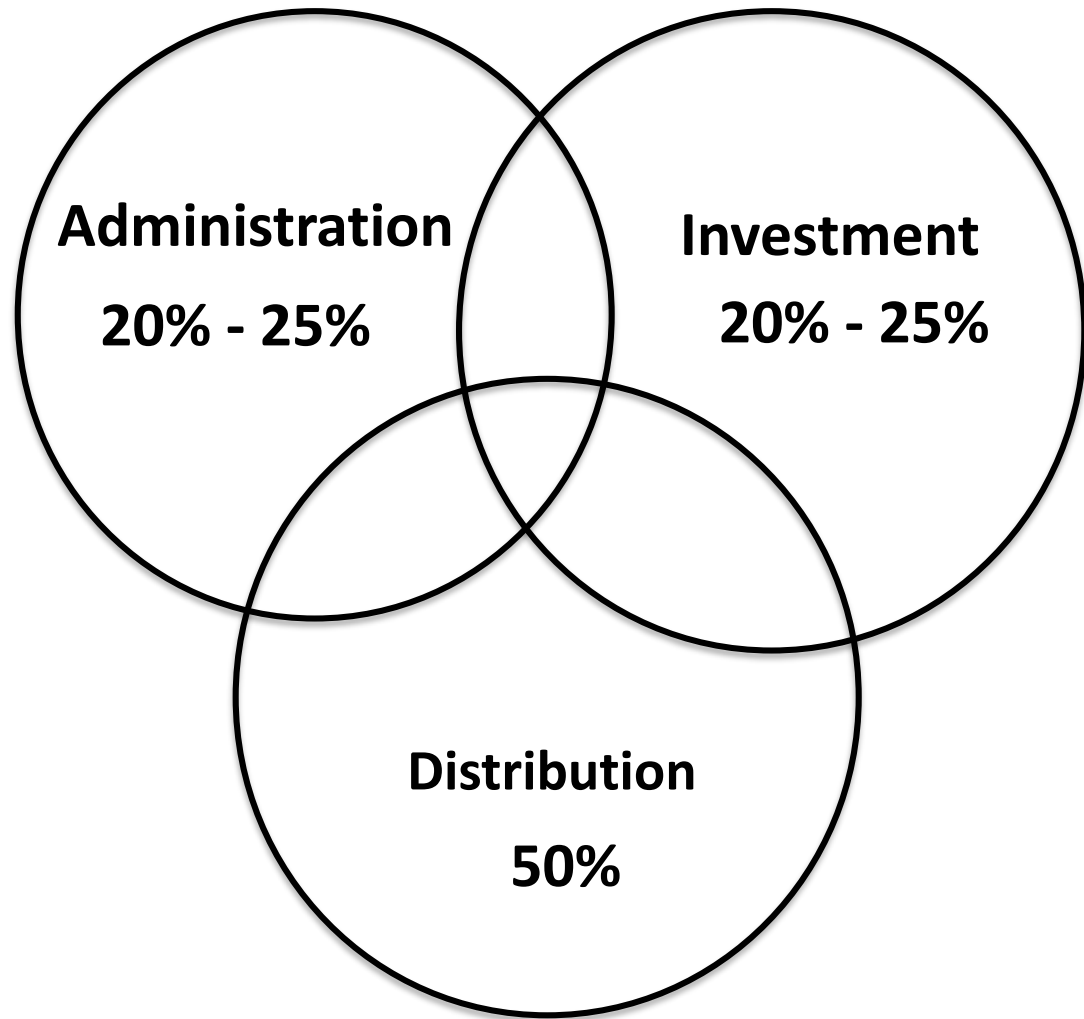
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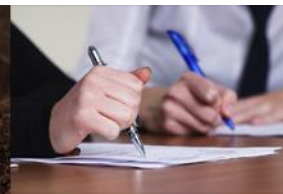
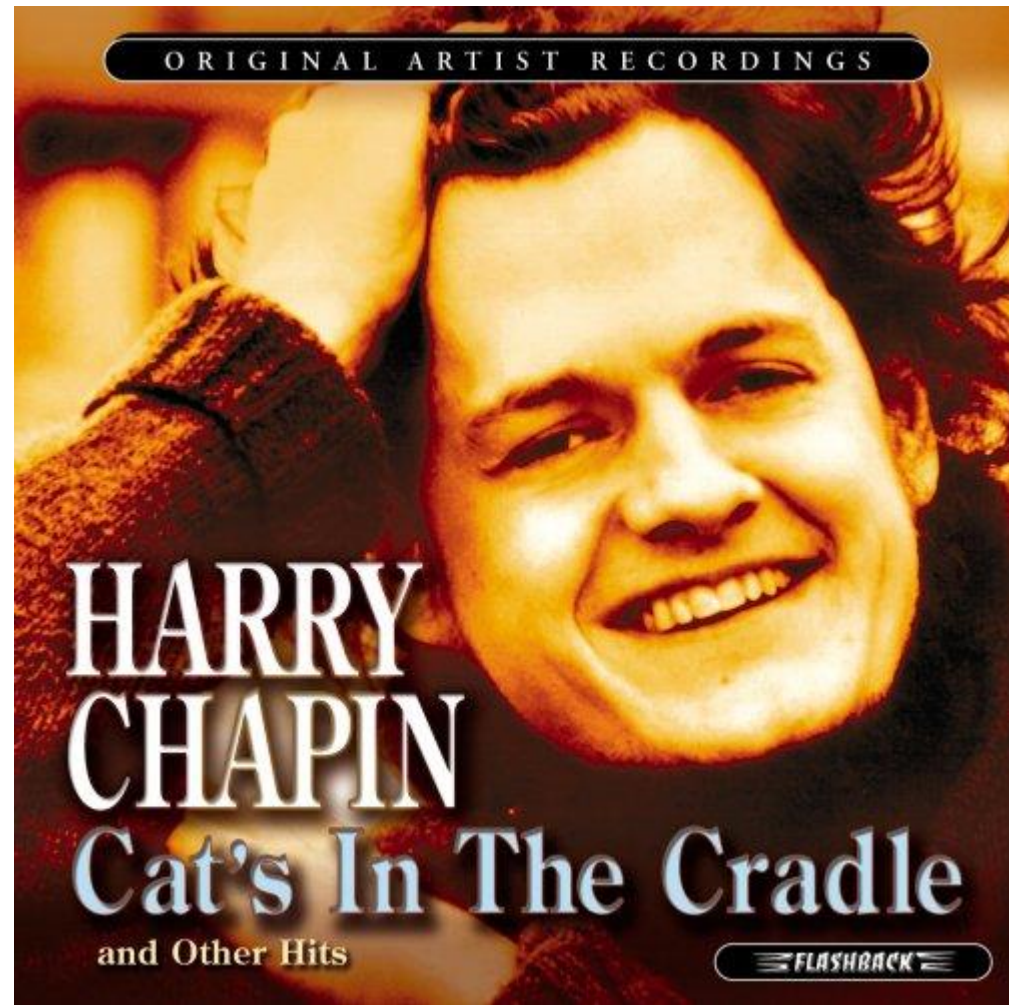
Trustee Time



Trustee Time



My Boy
was just
like Me



The End

Questions?

