

Family mission statements promote a harmonious estate plan

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Typically, much of the estate planning process focuses on money. But the most successful estate plans are founded on relationships. Building and preserving family wealth isn't an end in itself. Rather, it's a tool for promoting shared family values or encouraging family members to lead responsible, productive and healthy lives. Drafting a family mission statement can be an effective way to define and communicate these values.

Communicate clearly

Because each family is different, there's no cookie-cutter formula for drafting a family mission statement. The most important thing is for the statement to clearly articulate your family's shared values, whatever they may be.

Ideally, the mission statement will also create mechanisms for intrafamily communication and for putting the statement's ideas into action. For example, the statement might call for regular family meetings. Or it may create a governance structure for managing the family's wealth and making decisions about charitable giving and other endeavors.

Few families agree on everything. But facilitating communication and decision making in this way minimizes conflicts that can arise when family members don't know what's going on or feel they have no say. To make family meetings more efficient and effective, consider inviting outside advisors to lead or participate in the meetings.

Consider a principled approach

Many people today are moving away from a rules-based approach to estate planning and embracing a principles-based approach. Rather than conditioning a child's inheritance on a rigid list of "acceptable" behaviors, for example, a principles-based approach allows greater flexibility for trustees and others to make decisions based on the values you wish to promote. If you feel a mission statement should be part of your overall estate plan, please contact us.

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