

A Family Mission Statement Can Keep Family Goals First and Money Squabbles at Bay

When rich families squabble over the family legacy, it becomes headline news. Witness the recent battle over the ownership of the Wall Street Journal between members of the Bancroft family. When approached by media titan Rupert Murdoch, various family members fought over whether to preserve the family legacy at the legendary daily business paper or take the money and run. Money eventually won.

For most average Americans, such stories are an illustration not only of how money doesn't buy happiness, but how it breeds dissention and distance between people who could be enjoying their wealth and moving in concert. With all that money, how can people be so unhappy and contentious?

Families with substantial assets – or the promise of substantial assets as a business grows – might consider creating a family mission statement. While the end product should produce a document built from discussion, argument and consensus, it's not so much about the piece of paper as the process. When a family sits down to discuss what is really important to them, it's an opportunity to take the machine apart and see how it works. Many families start the process as a way to build consensus about long-term financial, business, estate and philanthropic goals, but to their surprise, money can take a back seat. Families discover particular strengths, weaknesses and unexpected courses of action within their ranks. The process might identify future leaders of the family.

Trained financial advisors, such as Certified Financial Planner™ professionals, can explain and guide the process. Some planners may be trained to facilitate such discussion based on the size and goals of the family involved.

The general creation of a family financial mission statement should have four key touchpoints: estate issues, philanthropy, business direction and family dynamics.

Here are some questions that should be asked of everyone in preparing the family's financial mission statement. They should focus on relationship issues first, and then move into business and money matters.

- What's most important about our family?
- What do you think our goals should be?
- When do you feel most connected to the rest of us?
- How should we relate to one another?
- What are our strengths as a family?
- Where do you think we'll be as individuals in 5, 10 and 15 years?
- In order, what are the five things you value most in life?
- How should we behave toward each other?

- How should we resolve our disputes?
- How important is the family business to you?
- What should we be doing differently with our family money as well as our assets inside the business?
- What's the best way for us to be building our wealth?
- What do you think the role of our family should be in helping the community?
- What should we be doing individually and as a family with regard to philanthropy?

Structurally, the written mission statement can be whatever you agree it should be – a few paragraphs or a page or two. And it needn't be set in stone – a family should have a meeting every year or two to revise or approve its mission. The family mission statement helps your family establish its identity and the variety of voices within. It can help set goals and diffuse tensions later. It can also be used to moderate discussions that inevitably happen after major changes within the family – death, divorce or happily, an increase in the number of heirs and participants.

As for the age of the participants, it can start in very basic form with younger children and the process can mature as they age. It's actually a good idea to bring young members into a customized version of the process for youngsters so they can comfortably adjust to working as adults with the older members of the family.

For a handy resource on writing a family mission statement, go to this site:

http://www.nightingale.com/mission_select.aspx?from=homepage&element=missiontitle

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