

What Families Should Expect of A Multigenerational Wealth Management Office

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As a private wealth advisor for more than 20 years serving high- and ultra-high-net-worth families, it's been an honor and privilege to work with multiple generations of some of the most affluent families in Florida and across the country. It is very gratifying to work in partnership with parents, their children, grandchildren and sometimes their great-grandchildren to grow and protect the family's wealth and legacy. In some cases, we are providing family office services to four generations of the same family.

We only work with a small, select number of families so we can devote sufficient time and specific expertise to meet all their diverse and complex, sophisticated needs. Multigenerational wealth management within a family office requires a high level of interpersonal skills, as well as financial acumen, to serve affluent families well over a lifetime and for generations to come.

Proven, trusted relationships

A financial advisor works for many years to establish a long-term relationship with a family based on trust, loyalty, and sound ethics. In fact, wealth management is a business based on trust and relationships. We help affluent families get through all stages of life, from starting a business and buying a

home, to creating a long-term financial plan and legacy that addresses their goals and objectives for themselves, their children, and future generations. Multigenerational advisory services extend well beyond managing investment portfolios. We help families with significant life decisions, from when to buy real estate or sell a business, take on debt, transfer significant wealth to their children, save for college educations, allocate for philanthropic endeavors, or manage the loss of a loved one. Trustworthy relationships, experience and responsiveness are critical to helping clients do what's best for their families.

Consistent and proactive client communications

Whether the financial market is up or down, consistent communication with clients is imperative. It's not enough to conduct regularly scheduled formal portfolio and estate reviews, an advisor needs to be readily available to take a call or jump on a plane when unexpected questions or events occur. As we experienced recently with the pandemic, it's especially important to be communicative with clients during volatile, uncertain times. Clients benefit from the perspective an advisor can provide by calling on previous experience during prior inflection points in the market. Most clients want to know, at a base level, that they're going to be okay. A long-term financial planning process is designed to help clients navigate through difficult markets and minimize risk during challenging periods. It's during these times that advisors further demonstrate value and lessen concerns by showing the impacts of previous economic dips in the market on client portfolios.

Understanding family dynamics

Being a private wealth advisor requires more than being knowledgeable about the financial markets. Money and wealth can be very emotional matters for people, especially between family members. It's critical to be a good, thoughtful listener, understanding both the verbal and non-verbal cues during conversations, as well as the family dynamics surrounding the family's businesses and financial issues.

Often, advisors are working with multiple lineal and non-lineal members of a family—for example, a brother in a competing business, children from a previous marriage, a wayward adult child, or a son-in-law and business partner—where there may be tensions or underlying issues that need to be understood and addressed delicately. An experienced financial advisor can conduct those difficult conversations between family members, acting as a third-party mediator, to resolve issues before they become a serious problem that could negatively impact family relationships or an estate. It is the role of

an advisor, in collaboration with other important influencers in the client's circle, such as CPAs, attorneys, and personal representatives, to facilitate a cohesive environment for productive communications about financial matters. Navigating within multigenerational family relationships requires a great deal of discretion, empathy and sensitivity to minimize potential conflicts and help ensure positive outcomes for everyone.

Maintaining family values and work ethic

Often the head of a family who has worked hard to build significant wealth wants to ensure that the same passion and work ethic that led to their prosperity are passed on to their children. Many affluent parents are concerned about their children being born into wealth and provided too much, too soon, without appreciating the value of the hard work that fueled that wealth. They want to teach and instill the same values and principles they have for working hard, earning, saving, investing, overcoming challenges, and contributing purposefully to their family and society. We work with parents to help ensure that their children are not impeded by wealth, but motivated to pursue paths and overcome challenges to achieve their goals. No one should be deprived of the satisfaction and sense of accomplishment that comes from earning their success.

Overcoming obstacles during challenging times

There's a great book I recommend on the subject of overcoming challenges—*The Obstacle is the Way, The Timeless Art of Turning Trials into Triumph*, by Ryan Holiday. The premise of the book is that we can control our perceptions of a situation, or obstacle, and take positive, purposeful actions to create opportunities and thrive despite difficult circumstances. During these past two years, everyone has had their life or family altered or challenged in some way by the pandemic. The pause in "normalcy" has provided time for people to reflect and focus on their families, businesses, and new opportunities to help solve problems or develop new ways of doing things. As advisors, we have the chance to be a positive influence and provide an objective perspective on their wealth management and legacy planning based on our history and experience in the financial markets.

Anticipating clients' needs

Working at the Ritz-Carlton during college, I first learned how to derive immense energy and motivation from being able to solve a guest's problem or provide an unexpected, amazing "wow" customer experience. As employees,

we were empowered to solve problems and exceed customer service expectations. The Ritz-Carlton's credo contains this memorable statement that resonates for me: "The Ritz-Carlton enlivens the senses, instills well-being, and *fulfills even the unexpressed wishes and needs of our guests.*" This mindset has stuck with me throughout my adult life and it's how we approach client service. It's our job to make clients' lives better by anticipating what they need or want, so they have more time to focus on what is most important to them.

Associating with like-minded people

Whether with my family, colleagues, or clients, I always advise people to associate with people who have similar values and ethics. You want to be with people that share your beliefs, purpose and vision. It is also important to be a source of encouragement and confidence, delivering on the commitments made at home and in business. Like my team members, I believe that long-term, trustworthy relationships are not built by a single action or event, but rather by what you do every day, year after year. We are motivated to *do well by doing good* for the people we serve.

About the Author

Andrew J. Plum oversees all aspects of 440 Group operations with \$1.3B in assets under management at UBS Private Wealth Management. He has been recognized as one of the top wealth managers in the industry by both Barron's and Forbes, and is a member of the elite Chairman's Council, a distinction that places him within the top 4% of advisors at UBS.

Andrew joined UBS in 2010 from Merrill Lynch, where he held the title of Director, and was charged with leading, supervising, and training fellow teams, advisors, and administrative staff within the firm's Palm Beach market.

Andrew is an alumnus of the Warrington College of Business at the University of Florida. He has earned the Certified Financial Planner® (CFP) certification and the Certified Investment Management Analyst® (CIMA®) designation from the Wharton School of the University of Pennsylvania in 2007.

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