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Introduction

At a time of heightened uncertainty, our latest edition looks beyond immediate headlines to the forces shaping long-term progress: innovation, adaptability, purposeful capital, and the ability of people and institutions to evolve.

We begin with America's 250-year legacy of reinvention. From railroads and electrification to semiconductors and biotechnology, breakthrough growth rarely follows a straight line. It emerges through cycles of investment, disruption, adjustment, and scale—a useful perspective for investors considering what may be taking shape today.

Adaptation also shapes how family offices support the families they serve. Independent Advisor Brandy L. Wilson examines how they can help family members pursue greater autonomy while maintaining ties of belonging, ownership, and shared purpose. We also consider the Great Wealth Transfer not simply as a movement of assets, but as a cultural transformation requiring families to listen, communicate, and make decisions together in new ways.

Purpose is central to our guide for philanthropists seeking to engage others in the causes they champion. Successful fundraising rests on clarity, credibility, trust, and community—a reminder that influence is most powerful when it invites sustained participation.

On the investing front, co-investments can broaden opportunity while introducing regulatory considerations. Experts from Kleinberg, Kaplan, Wolff & Cohen, P.C. outline two approaches family offices can consider when pursuing opportunities with third parties.

Direct investments, co-investments, and increasingly complex structures can push a family office's tax needs beyond annual compliance. Alex Johns, a managing partner with Hunters Point Partners, identifies the tipping point and explores how in-house expertise can add control, speed, and strategic value.

Leadership and culture bring these themes into focus. Asher Raphael, Co-CEO of Power Home Remodeling, demonstrates how culture can drive exponential growth. His people-first approach shows what becomes possible when empowerment becomes an operating principle.

Across these perspectives, a common thread emerges: enduring progress requires the courage to reconsider established models while preserving what matters most. Whether navigating markets, family relationships, philanthropy, or organizational culture, we hope these ideas offer practical guidance for the decisions ahead.

Judy Spalthoff Montero
Head, UBS Family Office and UHNW Client Services

Jennifer Gabrielli
Head, UBS GFIW and UHNW Advisory Americas

Investment outlook

Home of the brave

Innovation as a time-honored legacy

Ulrike Hoffmann-Burchardi
Chief Investment Officer Americas
and Global Head of Equities
UBS Global Wealth Management

Kurt Reiman
Head of Fixed Income, CIO Americas
UBS Global Wealth Management

In 1976, the United States faced many of the same challenges it does today—high inflation, energy insecurity, political division, and geopolitical tension—leading many to question the nation's future. Yet despite that uncertainty, the decades that followed brought transformative innovations that demonstrated the country's ability to adapt and grow through disruption. The broader lesson of history is that economic progress often emerges from periods of uncertainty, and America's strength has been its willingness to invest, innovate, and adjust rather than succumb to decline.

Inflation is running at uncomfortable levels. Energy security is in question following a series of oil shocks. Political divisions are complicating decision-making, while geopolitical tensions between major powers dominate the global outlook. There is a growing sense that the country's best days may be behind it.

It should sound familiar. This was the US in 1976, as it marked the bicentennial of its founding. The Vietnam War had ended only a year earlier, fears of resource scarcity were widespread, and the Cold War still carried the risk of nuclear confrontation. The mood was uncertain at best.

Yet the decades that followed the country's centennial brought semiconductors, personal computing, the internet, and biotechnology. These advances reshaped the US economy and the world. The country's best days were not in the rearview mirror.

Nearly two centuries earlier, Alexis de Tocqueville observed something similar. He described a young nation marked by restlessness and a constant drive toward improvement. It was a place where the question was not whether something would fail, but whether it might work.

That is the larger lesson of our series celebrating the semiquincentennial of the United States. Across 250 years, transformational innovations have followed familiar patterns. They begin with uncertainty, move through phases of investment and build-out, and eventually reach scale. At times they create excess, which leads to adjustment. Railroads, electrification, semiconductors, and the internet all required more than invention. They depended on capital, coordination, and a willingness to live through disruption before the benefits became clear.

That willingness may be the most underappreciated feature of this time-honored legacy. Americans have feared new technologies, resisted them, adapted to them, and then built new industries around them. Not every transition was smooth, and not all gains were evenly shared. Even so, the system held often enough to turn technological change into sustained economic growth. "Home of the brave" is more than a phrase. It describes an economy that adapts in real time.

The current moment demands the same realism. The US faces real constraints, including fiscal pressure, political division, and a more complex global environment. Technologies such as artificial intelligence will test whether the system can perform as it has in the past.

History argues against fatalism. The US has not succeeded because conditions were easy. It has succeeded because it found ways to absorb disruption, finance uncertainty, coordinate investment, and adjust. The future is not guaranteed. It never was. Decline was not inevitable in 1976, even when it felt that way. Much of what followed could not have been predicted at the time. The same may be true today.

The history lesson

The reports in CIO's *250 years of US innovation* series examine individual innovations, from the transcontinental railroad and electrification to semiconductors, the internet and biotechnology. Taken together, they point to something more useful than any single case study: a set of recurring patterns that cut across a diverse set of technologies and time periods. These innovations followed different paths, but they moved through a similar sequence—from early uncertainty, to coordinated build-out, to rapid expansion, and ultimately to consolidation and regulation. What stands out is not just the repetition of this sequence, but where it has occurred. Over multiple centuries, the US has repeatedly created the conditions that allow these networks to take shape and expand.

This final note in the series draws those threads together. Rather than retelling each history, it focuses on what repeats. Innovations progress from idea to platform, then expand and reshape the economy. Across these cases, a clear structure appears. New technologies scale when certain conditions are met. Early capital matters. Government support and coordination matter. Common standards allow technologies to connect and spread. Adoption across firms and households drives expansion. As adoption builds, network effects reinforce scale. Together, these elements form the system that has supported innovation in the US. What emerges is not a collection of stories, but a repeatable model of how innovation works. It also supports a clear argument: This model has been, and remains, unique to the US.

For an innovation to be truly transformational, it must reshape the nature of work and economic relationships. Each advance reorganizes labor rather than eliminating it, but those shifts often depend on earlier infrastructure.

Electrification provides a clear example. It did not immediately transform productivity on its own. It created the enabling layer that allowed factories to move away from centralized steam power and reorganize around distributed energy. That flexibility made the assembly line possible decades later, fundamentally changing how goods

were produced and how labor was structured. The assembly line reduced demand for skilled artisans while expanding standardized, repeatable roles.

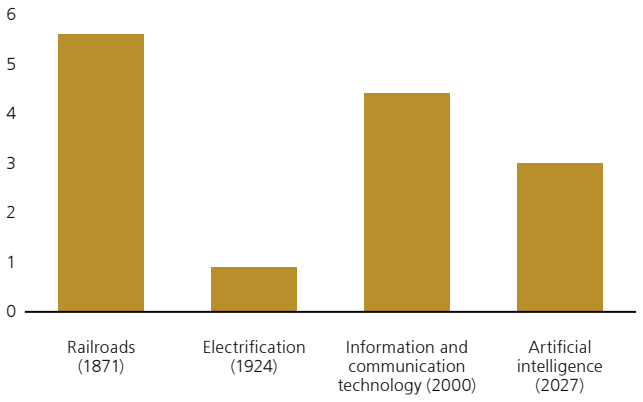
Subsequent technologies followed the same path. Semiconductors and the internet automated routine processes and shifted work toward services and information. These transitions rarely occur smoothly. Displacement typically follows adoption with a lag, as new platforms take hold, and productivity gains materialize. Yet across cycles, the US economy has repeatedly reallocated labor and capital in response. The pattern reflects a layered process in which each advance creates the conditions for the next and reshapes work in ways that only become clear over time.

Transformational innovation has always required capital well before it generated returns (see Figure 1). Railroads demanded enormous upfront financing for land, track, and equipment, with investment at its peak approaching 6% of US GDP and returns dependent on network density that developed over decades. Electrification required simultaneous investment in generation, transmission, and end-use equipment before gains appeared, with utility and industrial investment rising sharply during the 1920s as firms raced to adopt the new technology. Semiconductor development required continuous reinvestment in fabrication capacity, with each generation increasing capital intensity, a pattern that extended into the 1990s internet and telecommunications build-out, when infrastructure spending surged ahead of realized demand. In each case, investment followed a familiar cycle. Periods of rapid capital deployment were often driven as much by competition as by expected returns. Firms expanded capacity to avoid falling behind, which frequently led to overcapacity before demand fully materialized. The US financial system has repeatedly supported this process through a combination of public funding and private investment, alongside a willingness to accept long payback periods. Over time, the most durable value has tended to emerge not from the infrastructure itself, but from the applications built on top of it, as lower costs and expanded capacity enabled new industries.

Figure 1

AI investment approaching peak levels seen during past technological transformations

Capital expenditures as a share of US economic output at the peak of noteworthy investment cycles in US history, in %



Source: Melville J. Ulmer "Capital in Transportation, Communications, and Public Utilities: Its Formation and Financing" (1960), B.R. Mitchell "International Historical Statistics: The Americas 1750-2000" (2003), St. Louis Fed, UBS estimate as of 29 June 2026

The federal government has played a central role in accelerating these innovation cycles by reducing early-stage risk and solving coordination problems. In many cases, it acted as the first customer when private capital could not justify the investment. The Pacific Railway Acts of 1862 and 1864 provided land grants and bond guarantees that made the transcontinental railroad viable. Federal procurement of aircraft for mail delivery and military use created steady demand and drove improvements that enabled commercial aviation. Defense spending and research and development (R&D) funding played a similar role in the postwar period. The Department of Defense and the National Aeronautics and Space Administration (NASA) created early demand for semiconductors and computing, while the Defense Advanced Research Projects Agency (DARPA)-funded Advanced Research Projects Agency Network (ARPANET) established the foundation for the internet.

In biotechnology, sustained National Institutes of Health (NIH) funding supported basic research, and the Bayh-Dole Act of 1980 allowed universities to commercialize federally funded discoveries, directly catalyzing the industry.

As these technologies expanded, policy shifted from enabling development to shaping outcomes. The Federal Power Act, alongside state-level utility regulation, governed the build-out and operation of electrical networks. The Civil Aeronautics Act of 1938—and later the creation of the Federal Aviation Administration (FAA)—established the safety and operational framework that allowed aviation to scale. In financial services, the Truth in Lending Act of 1968 and the Credit Card Accountability Responsibility and Disclosure Act of 2009 (CARD Act) influenced how credit systems developed and competed. More recently, the Creating Helpful Incentives to Produce Semiconductors and Science Act of 2022 (CHIPS and Science Act) reflects a renewed use of industrial policy to reshore semiconductor manufacturing and supply chains in response to geopolitical risk. Across cycles, the pattern holds: Government support enables early development, and regulation emerges once these platforms have already achieved scale.

In the US, common standards have often determined whether an innovation remained fragmented or expanded into a national platform. Railroads only became a unified network once operators converged on a standard gauge, allowing trains, freight, and capital to move seamlessly across regions. Electrification followed a similar path, as alternating current and standardized transmission systems enabled power to travel long distances. The internet scaled because Transmission Control Protocol (TCP) and Internet Protocol (IP) allowed previously separate networks to interconnect. Payment systems rely on standardized rails to link banks, merchants, and consumers. In each case, standardization reduces friction, lowers costs and enables interoperability. It also creates durable advantages. Firms and networks that define or control these standards often capture a disproportionate share of the value. In that sense, standards do more than enable expansion. They shape competition and lock in market structure.

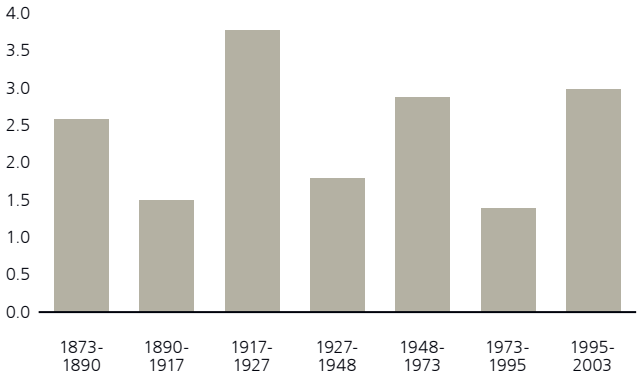
Network effects reinforce this structure. As networks grow, each additional participant increases the value of the entire platform, encouraging further adoption and raising switching costs. Railroads benefited from network density, as additional connections increased overall utility. Payment networks expanded as more merchants and consumers joined the same rails. The internet followed the same logic: Open protocols enabled rapid adoption, but scale ultimately concentrated value in a small number of platforms. These forces help explain why innovation often leads to consolidation. Once a network reaches critical mass, it becomes difficult to displace. Network effects do not just accelerate adoption. They determine competitive outcomes and explain why a small number of firms often capture a disproportionate share of the value created.

These forces express themselves through productivity (see Figure 2). Each wave reduces the cost of a core input—transport, energy, labor, or computation—and expands what the economy can produce with the same resources. Railroads lowered the cost of moving goods across distance. Electrification reduced the cost of power and reorganized industrial production. The assembly line increased output per worker. Semiconductors drove down the cost of computation. The internet reduced the cost of communication and coordination. These gains did not appear immediately. They followed the same trajectory as the platforms that enabled them. It was slow at first, then rapid once adoption reached scale. Over time, productivity has been the clearest and most durable measure of success, translating technological progress into sustained economic growth for the US economy.

Figure 2

Post-WWI electrification lifts labor productivity

Average annual US productivity growth in the nonfarm business sector, 1873-2003, in %



Source: Ferguson and Wascher (2004) using data from Kendrick (1961) and US Bureau of Labor Statistics, UBS, as of 13 November 2025

To realize the lifestyle and economic benefits of transformational innovations, people have consistently had to overcome their fears. New technologies disrupt established ways of working and raise concerns about safety and displacement. In the 1800s, some believed the human body could not withstand travel at speeds above 30 miles per hour. During the "War of the Currents," Thomas Edison staged public electrocutions using alternating current to discredit a rival approach. Aviation required decades of military use and cargo transport before the public accepted it as safe for mass travel. Fraud undermined early credit card business models. These reactions are part of the adoption process.

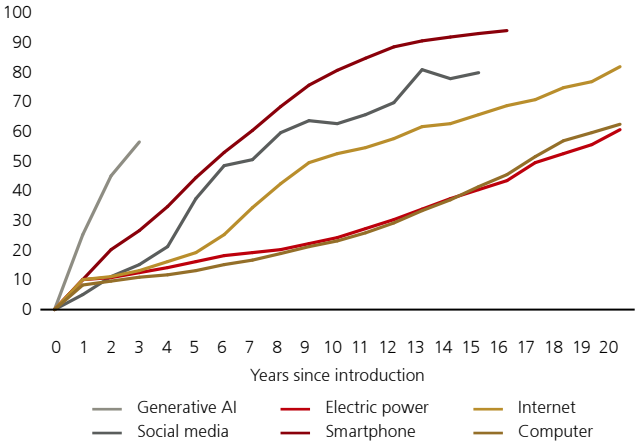
In other cases, deeper consequences emerge after the initial impact. Semiconductors and the internet compressed space and time, enabling firms to coordinate production across geographies and build global supply chains. Trade liberalization, labor cost differentials, and corporate incentives then drove how those capabilities were used, contributing to the reallocation of manufacturing activity away from traditional industrial regions beginning in the 1990s. Across cycles, fear tends to focus on visible disruption in the moment, while broader economic effects unfold more gradually and often more profoundly.

But get over their fears they did. Speed of adoption has been just as important as invention. In the US, once a technology proves viable, it tends to diffuse quickly across firms and households but often only once complementary uses emerge (see Figure 3). Electrification illustrates this dynamic. The build-out of generation and transmission networks made power available, but adoption accelerated as new appliances and industrial equipment created demand for it. The same pattern appears elsewhere. Railroads expanded as networks connected major markets and enabled new forms of commerce. The internet scaled as applications—from email to e-commerce—made it indispensable. More recently, smartphones reached rapid adoption as software ecosystems created continuous use cases. This interplay between infrastructure and application has been a defining feature of the US experience. It allows innovations to move from isolated capabilities to economy-wide platforms. Without that demand-side pull, many technologies would have remained incremental. With it, they became transformational.

Figure 3

Rapid generative AI adoption

Share of US households adopting new technologies since introduction, in %



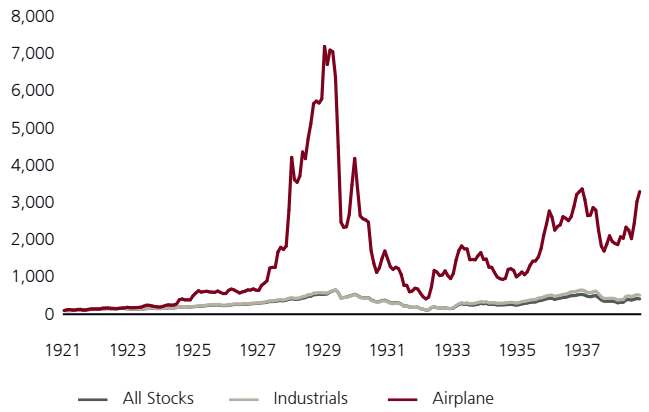
Source: The Project on Workforce Generative AI Adoption Tracker, BIS "Artificial intelligence and the economy: implications for central banks" (2024), UBS as of 28 April 2026

Financial markets reflect these forces unevenly. Not all participants benefit equally. Firms positioned at critical control points, such as semiconductor manufacturers or aircraft producers, have captured significant value as demand expanded and barriers to entry rose. But returns rarely follow a straight line (see Figure 4). Long development cycles, capital intensity, and periodic dislocations introduce volatility. The broader pattern holds: Technological breakthroughs create substantial economic value, but investors capture that value unevenly. Those who identify the platforms that expand, and remain invested through cycles, have historically realized the strongest returns.

Figure 4

Airplane stocks soared and then nose-dived during the 1929 crash

Total return index of US stocks and selected sectors, in %, June 1921 = 100



Source: The Cowles Commission for Research in Economics, UBS as of 4 December 2025

Across these innovations, a clear structure emerges that has repeatedly taken hold in the US. Networks form once coordination problems are solved. They expand as costs fall and adoption accelerates. And they concentrate as a small number of firms sit at the center of the network. These three forces—coordination, scale and control—explain not only how innovation spreads, but also how value is created and ultimately distributed.

The question is whether that structure will hold in the current cycle.

Read the complete original report, "Home of the Brave: A time-honored legacy," published on July 8, 2026.

For the complete series, *250 years of US innovation*, please visit ubs.com/celebrating-us-innovation.

Ulrike Hoffmann-Burchardi

Ulrike is CIO Americas and Global Head of Equities at UBS Global Wealth Management. She serves on the Global Investment Committee, which defines the UBS House View, guiding USD 5.5 trillion in assets. Ulrike has been recognized for multiple consecutive years as one of Barron's "100 Most Influential Women in US Finance." She holds a Ph.D. in Finance from the London School of Economics and Political Science.

Kurt Reiman

Kurt is Head of Fixed Income for UBS GWM. He discusses his research in the financial news media, including CNBC, Yahoo! Finance, and BNN Bloomberg. Kurt earned his bachelor's degree in business and economics from SUNY Plattsburgh and his master's degree in international relations with a concentration in international economics from the Johns Hopkins University School of Advanced International Studies.

Leaving the family office without leaving the family

Rethinking independence and participation in the multigenerational family office

Brandy L. Wilson
Independent Advisor to families and family offices

Being a member of the family, a business owner or beneficiary, and a family office participant are related, but distinct. Family membership is about belonging. Ownership carries rights and responsibilities. Family office participation is a choice about services, support and administration. When those roles become fused, changing advisors or declining services can feel like stepping outside the family itself.

In my consulting work, requests from family members to improve a family office's systems, advisors or services increasingly contain another question. It is rarely stated at the onset. It appears indirectly through a request for different reporting, a frustration with decision-making, an interest in an outside advisor, or a desire for more control. After some engagement, the ask behind the ask becomes explicit: What if I no longer want the family office to support me?

Most family members who ask this are not angry. They are often careful to express how much they value the office, respect its staff and appreciate the work being done for them. It just is not what they want anymore. They want advice and support shaped around their own life, values, goals and the growing needs of their branch of the family.

That desire can be healthy. It can also produce enormous guilt. The family member may worry that wanting something different makes them disloyal or ungrateful. The family may hear the request as rejection. Staff can experience it as a judgment of their work. A decision that looks operational on the surface quickly becomes emotionally loaded.

The task is not to persuade the family member to stay or encourage them to leave. It is to understand what is actually being asked and then do the hard work of responding with clarity.

Belonging is not participation

A multigenerational family office can do remarkable things. It can coordinate complexity, protect privacy, improve decision-making, preserve continuity and provide a level of support that would be difficult to re-create independently. Over time, however, the office can become more than a service organization. It can also become one of the places where family expectations, history and belonging are expressed.

Family enterprise practitioners have long used the Three-Circle Model to distinguish family, ownership and business as overlapping but separate systems.[1] That same discipline is useful here. Being a member of the family, being a business owner or beneficiary, and participating in the family office are related but different roles. When these roles become fused, a desire to change can feel like stepping outside the family itself. Participation becomes evidence of loyalty. A different investment approach becomes a judgment. A request for autonomy becomes a referendum on gratitude.

Families are tied together first and always by familial bonds. Managing their balance sheets together may be one expression of that bond, but it does not create it or make it stronger.

Being a member of the family, being a business owner or beneficiary, and participating in the family office are related but different roles.

Name what is actually changing

Before redesigning anything, one distinction is critical: Is the tension with the services, the structure, or the family system?

- If with the services, the answer may be better reporting, a different advisor, or a more tailored investment, tax, philanthropic or administrative approach.
- If with the structure, the issue may be pooled investments, governance, fees, decision rights or the office's limited ability to adapt to the needs of a growing family branch.
- If with the family system, no new report, advisor, or customized service will fully resolve it. The family member may be asking for enough room to define their own adulthood, household or branch without organizing their choices around the expectations of the larger family or within the context of the family office.

More than one of these may be true, but the primary driver must be named. Otherwise, the office can enter a cycle of constant churn and false starts. A service is customized. A new advisor is hired. An exception is made. The family member stays, but the underlying tension remains. Everyone works hard without solving the actual problem.

Family systems theory describes differentiation as the ability to remain meaningfully connected to others while maintaining a clear sense of self.[2] It is not separation for its own sake, and it is not emotional cutoff. In this context, it is the ability to choose different support while remaining fully part of the family. Independence is not the opposite of connection.

Conviction before action

A healthy departure should not be casual. The family member owes the office and the broader family thoughtful contemplation and real conviction about the decision. Separation is hard work. Assets, accounts, data, legal documents, taxes, reporting, privacy, security, staffing and costs all have to be reconsidered. There will be bumps in the road, and those bumps should not automatically become evidence that the decision was wrong.

The family member also needs the resources and accountability to build what comes next. They should be able to explain what they are moving toward, which services they intend to retain or replace, who will coordinate the work, what it will cost, and how they will evaluate whether the new model is serving them. It is not enough to know what they no longer want. They must take ownership of what they are choosing.

This is where guilt can distort the process. When the office responds with accommodations, the family member may compromise their needs to reduce everyone else's discomfort. Appreciation can quietly become obligation. Conviction allows them to remain grateful without surrendering their choice.

The system has work to do, too

The responsibility is reciprocal. The family and the family office owe the family member respect for the decision, even if they disagree. They owe them a fair and orderly transition, access to the information and resources needed to separate, and freedom from guilt, punishment, or continuing pressure to reconsider. Staff should not be asked to mediate the family's emotions or prove their allegiance to one side.

A departure also carries real grief. An elder family member may experience it as the rejection of something built to protect future generations. Staff may feel loss or professional failure. Siblings may worry about precedent or fragmentation. The departing family member may feel relief and sadness at the same time. None of those emotions proves that the decision is wrong.

The maturity of the system is revealed by its ability to hold both the practical transition and its emotional weight. As families evolve, their structures must be able to accommodate greater complexity while remaining oriented toward their purpose—hopefully the well-being of the whole family. Uniformity may be simpler, but it is not the same as unity.

A healthier definition of success

A year later, success should be visible across the whole system. The family member has support aligned with their life and branch. Relationships with the family remain intact. Staff have clarity and stability. The broader family has adapted without assigning blame.

Family offices often measure success through participation, assets under management, and satisfaction with services. Those measures are useful, but incomplete. A healthier measure is capability and choice. Can family members make informed decisions? Can they understand and manage their complexity? Can they remain connected while making choices that fit their own lives? Can they leave without shame and return without stigma?

Leaving can be healthy. It does not make a family member disloyal or ungrateful, and it does not diminish their place in the family. But a healthy departure requires clarity about what is driving the decision, conviction to follow it through, and accountability for building what comes next. It also requires the family and the office to support a respectful transition and to make room for the grief that accompanies change.

The highest purpose of a family office is not to make itself indispensable. It is to help create capable, confident, responsible family members who can thrive with or without its support. Sometimes the clearest evidence that a family system is working is not that everyone remains inside the same structure. It is that someone can step outside it and discover that the family is still there.

Notes

[1] Renato Tagiuri and John A. Davis, *Three-Circle Model of the Family Business System*, 1982.

[2] Bowen Center for the Study of the Family, *Differentiation of Self*, 2025.

Brandy L. Wilson

Brandy is an advisor to families and family offices navigating the opportunities and complexities of multigenerational wealth. Her career has been shaped by working within and alongside some of the world's largest, most complex and enduring multigenerational family enterprises. Today, she advises families on family office design, governance, rising-generation engagement, and the structures and relationships that allow both individuals and family systems to thrive. She is also a frequent speaker and contributor on family office evolution and the human dynamics of wealth. Learn more at www.brandylwilson.com.

Structuring co-investments

Key considerations for family offices

Christian Gloger
Partner
Kleinberg Kaplan Wolff & Cohen, P.C.

Jared R. Gianatasio
Partner and Head of Family
Office Practice
Kleinberg Kaplan Wolff & Cohen, P.C.

Joseph Iskowitz
Partner
Kleinberg Kaplan Wolff & Cohen, P.C.

Family offices are increasingly seeking direct investment opportunities, often collaborating with other families to pursue transactions that would be difficult to execute independently. By pooling capital, families can access larger deals, diversify risk, leverage complementary expertise, and in some cases, obtain governance rights or influence that would otherwise be unavailable. As family office investment capabilities have matured, many are pursuing these opportunities without relying on traditional private equity sponsors or fund managers.

While these arrangements can be highly attractive from an investment perspective, they create an important regulatory consideration that is often underestimated. The issue is not whether multiple families can invest together. Rather, the question is whether one family office has crossed the line from investing alongside others into providing investment advice to non-family investors. If that occurs, the family office may jeopardize its ability to rely on the "family office exclusion" under the Investment Advisers Act and could find itself facing SEC or state investment adviser registration requirements.

The regulatory challenge arises because the family office exclusion is available only when specific conditions are satisfied. Most importantly, a family office generally must provide advice solely to "family clients." When a family office organizes a co-investment opportunity and exercises investment discretion on behalf of other participating families, regulators may view it as providing investment advice to persons who are not family clients. The consequences can be significant, potentially triggering registration obligations and an extensive compliance framework that many single-family offices were not designed to support.

This article outlines two broad approaches that family offices frequently consider when pursuing co-investments with third parties.

Note: *This article is adapted from* Structuring co-investments among family offices. *See the full article for more detailed information about legal considerations around co-investing for family offices.*

Path one: Preserving the family office exclusion

For many family offices, the preferred approach is to structure the co-investment so that no single family office is acting as an investment adviser to others. Under this model, the participating families remain co-investors making decisions collectively, rather than delegating decision-making authority to one sponsoring family office.

Governance becomes critically important. Rather than empowering one family office to control a pooled investment vehicle, the vehicle should generally be governed by representatives of the participating investors. Material decisions such as investments, exits, follow-on financings and other significant matters should be subject to collective approval mechanisms. The objective is to demonstrate that each family remains responsible for its own investment decisions and that no family office is exercising discretionary authority on behalf of the group.

Equally important is the treatment of economic arrangements among the participants. Compensation is often one of the clearest indicators that an advisory relationship exists. A family office seeking to remain within the family office exclusion should proceed carefully before receiving management fees, structuring fees, carried interest, origination fees or similar compensation from non-family participants. Likewise, arrangements designed to reimburse the sponsoring family office for internal diligence effort or personnel costs may create concerns if they effectively compensate advisory activities.

Another important consideration involves public positioning. Family offices that consistently market co-investment opportunities, promote a co-investment platform, or otherwise present themselves as arranging investments for third parties may create "holding out" concerns. As a result, many successful arrangements remain highly relationship-driven and are conducted among families with established relationships rather than through broad market outreach.

In practice, this approach can work effectively when co-investments are relatively infrequent, involve a limited number of trusted participants, and are not intended to generate revenue for the arranging family office. For many family offices, these characteristics align with the original purpose of collaborative investing among peers.

Path two: Establishing a registered investment adviser

As co-investment activity becomes more frequent, larger in scale or more institutionalized, some family offices may decide that a different structure is required. In this case, a model where a separate registered investment adviser is established alongside the family office. Under this structure, the family office continues to manage and advise family capital, while the registered adviser oversees co-investment vehicles involving non-family investors.

This approach can provide substantially greater flexibility. A registered adviser may manage investment vehicles, exercise investment discretion, and charge fees or carried interest in circumstances where those activities could create significant issues for a family office relying solely on the family office exclusion. The model may therefore appeal to families seeking to build repeatable co-investment programs or create economic incentives for investment professionals.

However, the benefits come with meaningful operational and compliance obligations. One of the most challenging issues involves the interaction between the family office and the affiliated adviser. Shared personnel, overlapping investment mandates, information-sharing practices, allocation decisions and expense allocations all require careful attention. Maintaining appropriate separation between the entities is often one of the most significant legal and practical challenges associated with the dual-entity model.

The registered adviser also becomes subject to the regulatory framework applicable to investment advisers, including disclosure obligations, compliance programs, recordkeeping requirements, conflict management, and examination by regulators. Investment allocation policies, expense allocation methodologies, custody considerations, and affiliated-party disclosures become particularly important when proprietary family capital and third-party co-investment capital pursue similar opportunities.

Key takeaway

The growing sophistication of family offices has created tremendous opportunities for direct investing and collaborative capital formation. Yet the legal structure of those arrangements matters as much as the investment opportunity itself. Family offices interested in co-investing with other families must carefully evaluate who is making investment decisions, how governance is structured, whether compensation is being received, and what regulatory implications may follow.

In many cases, a thoughtfully designed governance framework may allow families to collaborate while preserving the family office exclusion. In others, the scale and objectives of the activity may justify the establishment of a registered advisory platform. Determining which path is appropriate requires careful consideration of the family's investment strategy, operational objectives, and long-term vision for its co-investment activities.

Learn more

To learn more about important legal considerations around co-investing for family offices, including details around each pathway and a practical framework for evaluating the alternatives, please see the full article, Structuring co-investments among family offices.

Christian Gloger

Christian focuses his practice on the formation and operations of US and international private equity, credit, real estate, hedge and hybrid funds. He also advises clients on structuring investment management businesses, including seed capital transactions, compensation arrangements, SEC registration and ongoing regulatory advice, as well as sophisticated family offices in their structures, operations and investments. Many of his clients are non-US investment managers that raise capital in the United States or have US operations.

Jared Gianatasio

Jared is the head of the Firm's single-family office practice, overseeing a cross-practice team to address the complex and ongoing legal needs of family office clients. He has extensive experience advising large single-family offices on the corporate structure and regulatory aspects of complex business and investment transactions, as well as risk management, governance, succession, and operational issues. Jared also counsels family offices and their personnel on the formation and/or restructuring of family offices, the establishment of executive compensation programs, direct private and fund investments, and other corporate governance, transactional, and investment matters.

Joseph Iskowitz

Joseph forms and represents domestic and offshore investment funds, including private equity and hedge funds. He also counsels fund managers, investors, and third-party marketers of private investment pools.

Operational excellence

Fundraising with purpose

A guide for philanthropists looking to create lasting impact

Sarah Salomon
Head
UBS Family Advisory and Philanthropy Services Americas

Many people are ready to help create a better world. For some, this means not only giving to favorite causes but also encouraging others to join in. You may want to raise money for your own foundation or a non-profit organization you support. Perhaps you want to help raise funds in collaboration with others. While the desire may be clear, the path forward may not be. Where to begin?

Professional fundraisers seeking support from companies, governments, institutions and individuals can draw on numerous resources. However, philanthropists who want to leverage their social and financial capital to raise funding often lack direction.

Our publication, Winning support: UBS Philanthropy Fundraising Guide, can help fill this gap. Designed for philanthropists who want to leverage their money, credibility and personal networks on behalf of a cause, it sets out five steps that support effective fundraising.

Successful fundraising is rarely about making a single ask. It starts much earlier, with a clear purpose, a credible plan and the patient cultivation of trust. Done well, it can generate more than financial support: It can increase awareness, deepen engagement and create a community of advocates who remain committed over time.

1. Clarify your goal

The most consequential moment in fundraising starts long before you ask anyone for money. It happens when you spend time defining what you want to achieve. A strong mission explains both the problem you are addressing and the change you want to create. It also sets out what you or the organization you support will do to help deliver that change.

Pooling gifts to reach a shared fundraising goal fast

A successful young entrepreneur volunteered at a women's shelter that needed a $200,000 new security system. She was willing to give $20,000 in matching funds and recruited four friends to do the same. Using social media, each called on members of their respective networks to donate a minimum of $500. Because many gave more, they each quickly achieved the $200,000 goal. Resources used? Mainly time.

Your fundraising goal should then translate that mission into a specific need. Be clear about why funding is required, how much you aim to raise and how the resources will be used. A donor should be able to understand the link between their contribution and the intended outcome.

Having a clear vision and mission helps you focus on the desired impact but it's also a powerful tool to communicate with potential funders. A well-articulated narrative and engaging story makes the issue relatable, while data demonstrates the scale of the challenge and the credibility of the proposed response. Prospective supporters will want to know what problem you are solving, what success looks like, why your approach adds value and how they can participate.

Specificity also applies to the form of support. Cash may be the obvious need, but it is not the only one. Equipment, legal advice, technology, volunteer time, introductions and event space are essential in moving a project forward. More sophisticated efforts may seek concessional loans, equity or blended-finance structures designed to attract commercial capital. Such tools can be powerful, but they demand clear explanation and an audience able to understand the risk.

2. Map your audience

Potential supporters generally fall into four broad groups: individuals, family offices, grantmaking organizations and businesses. Each has different motivations, decision processes and expectations.

Individuals are often the natural starting point, particularly when a personal connection already exists. Family offices can provide access to significant, long-term support, but will typically assess opportunities with professional rigor. Foundations, trusts, public bodies and other grantmakers may offer strong mission alignment, although their application processes can be competitive and time-intensive. Businesses can contribute through grants, sponsorships, matching gifts, cause marketing, employee volunteering or in-kind support—but usually expect clear alignment with corporate objectives and evidence of impact.

How matching funds can unlock generosity and accelerate fundraising

A widow planned to contribute $500,000 toward the redevelopment of a youth center. Rather than make the gift outright, she used it as a match and invited prospective supporters to the center, where they could see the center's program firsthand as well as the building's needs. The offer doubled the perceived value of every contribution; the visit made the proposed future tangible.

A long list of names is not yet a strategy. It can be helpful to prioritize prospects according to three factors:

- Your access to them
- Their alignment with the cause
- Their capacity or potential to contribute

A warm introduction and strong thematic fit may matter more than theoretical wealth. Concentrating effort on the most promising relationships can improve both efficiency and the quality of engagement.

3. Plan your approach

The right fundraising method depends on the audience, the goal and the resources available. One-to-one meetings remain among the most effective ways to secure significant support because they allow for a personalized conversation. Be transparent about the purpose of the meeting, listen carefully and give the prospective donor time to consider. A first conversation may begin a relationship rather than conclude with a gift.

The strongest format is the one matched to the objective. A cultivation event introduces the cause. A solicitation event asks for funds. A stewardship event thanks existing donors and reports on results. When the purpose isn't clear, confusion can arise among your prospective donors. Guests invited to learn should not discover midway through dinner that they are expected to give; donors invited to be thanked should not feel trapped in another appeal.

Digital tools broaden the field further. Email, social media, online auctions and crowdfunding can reach well beyond an existing circle, provided the message is concise, genuine and easy to act on. Every additional step in a donation form creates friction. The best campaigns pair strong stories and evidence with conspicuous, simple ways to give.

Matching gifts deserve particular attention. By using an initial contribution to match donations from others, a lead supporter can create urgency, increase the perceived value of each gift and signal confidence in the cause.

4. Build and sustain relationships

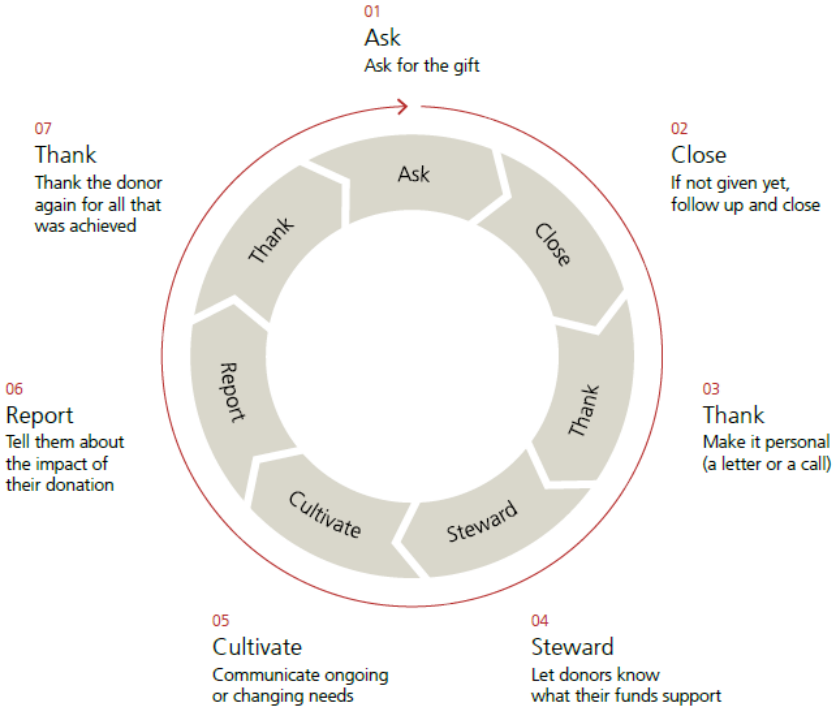
People often give for overlapping reasons: belief in a cause, moral commitment, professional interest, the desire to belong, or the simple fact that someone they trust asked. A successful fundraiser learns to listen for those motivations rather than deliver the same pitch to everyone. Some donors want the human story. Others want measurable outcomes. Some want to collaborate; others prefer quiet recognition.

Fundraising succeeds when prospects become partners. This highlights the need to nurture relationships and tailor your case according to your donor's motivations. That might mean appealing to the heart by showing who benefits. Or to the head by explaining the logic, evidence and measurable impact. To invite collaboration, you might ask for advice or offer meaningful ways to engage.

It is equally important to understand why someone may decline. Their resources may already be committed, the cause may not align with their principles, cross-border rules may complicate the gift, or the process may simply feel too burdensome. Respecting their "not now" can preserve the relationship for another opportunity, including a future or legacy gift.

Our guide frames fundraising as a relationship cycle: identify, qualify, nurture, ask, close, thank, report and cultivate again. The order can vary, but gratitude and accountability shouldn't be skipped. Keeping donors informed about what their money supported, what changed and what remains difficult helps build lasting trust.

Stewarding relationships



5. Review, learn and refine

Your fundraising strategy should evolve. It's important to track not only how much you raise, but how you raise it: the time and cost involved, the messages that resonate, attendance and follow-up rates, repeat engagement, introductions and donor retention. These indicators can reveal which activities create durable relationships rather than short-lived results.

Review progress regularly. Compare approaches, audiences and channels. A large event may raise more in a single evening, while a series of private conversations may produce stronger long-term support at a fraction of the cost. Questions to consider include:

- Which messages prompted replies?
- Which hosts brought the right people into the room?
- How long did it take a first-time donor to give again?

Use the evidence to focus resources, adjust underperforming activities and reinforce what works. Artificial intelligence may help detect patterns and create a tailored outreach, but we recommend treating technology as an assistant to judgment, not a substitute for it. Fundraising remains an intensely human practice.

Using data and reflection to uncover what works

A board member reviewed several years of fundraising for a health charity. The analysis showed that private lunches consistently led to deeper engagement than large dinners at a fraction of the cost. By concentrating on those high-touch encounters, the organization doubled its returning donors the next year and expanded its circle of advocates.

Some gifts take time. Consistent engagement may not deliver an immediate donation, but it can build confidence, advocacy and future commitment. The objective is sustainable momentum, not simply a short-term total.

From intention to impact

A purposeful fundraising strategy rests on a few essentials: a clear mission and funding goal, a realistic understanding of resources, a prioritized audience, a tailored approach, and ongoing stewardship. It also requires a willingness to learn and change course when needed.

Ultimately, people give to people. By approaching fundraising as a long-term partnership rather than a transaction, philanthropists can mobilize more than money. They can create networks of shared purpose capable of delivering lasting impact.

For more on these key five steps, including insights, worksheets, reflection questions and more, see our complete Winning support: UBS Philanthropy fundraising guide.

Sarah Salomon

As Head of Family Advisory and Philanthropy Services Americas, Sarah leads a team of strategists working with clients to explore the intersection of wealth, values and philanthropic intent. A veteran of UBS Financial Services for more than twenty years, Sarah holds Family Firm Institute certifications in Family Wealth Advising and Family Business Advising, as well as the Chartered Advisor in Philanthropy® designation from The American College of Financial Services. She also completed the Education for Philanthropy Professionals program through the Stanford Center on Philanthropy and Civil Society. Sarah serves on the Ownership Works Fundraising Committee, is a board member of Brilliant Pathways, and is an advisory board member of Ownership Project 2.0: Private Capital Owners & Impact at Saïd Business School, University of Oxford.

Operational excellence

The Great Wealth Transformation

How family offices can align with evolving multigenerational families

Mark R. Tepsich
Head
UBS Family Office Design and
Governance Strategy Americas

The "Great Wealth Transfer" typically refers to the expected transfer of hundreds of trillions of dollars from one generation to the next over the next two decades. In reality, we can think of it as the "Great Wealth Transformation," a culture change that is transforming how multigenerational families relate to wealth and how family offices support them.

"My brother and I have always made decisions over the family investment partnership, but our children need to be involved at some point, as it'll be theirs. How should we do that?"
- A senior-generation family member

"We need to break apart this investment partnership as we need to give the family members more flexibility with their capital. Where do we start?"
- A family office executive

"How should we start engaging the next generation?"
- A family office executive

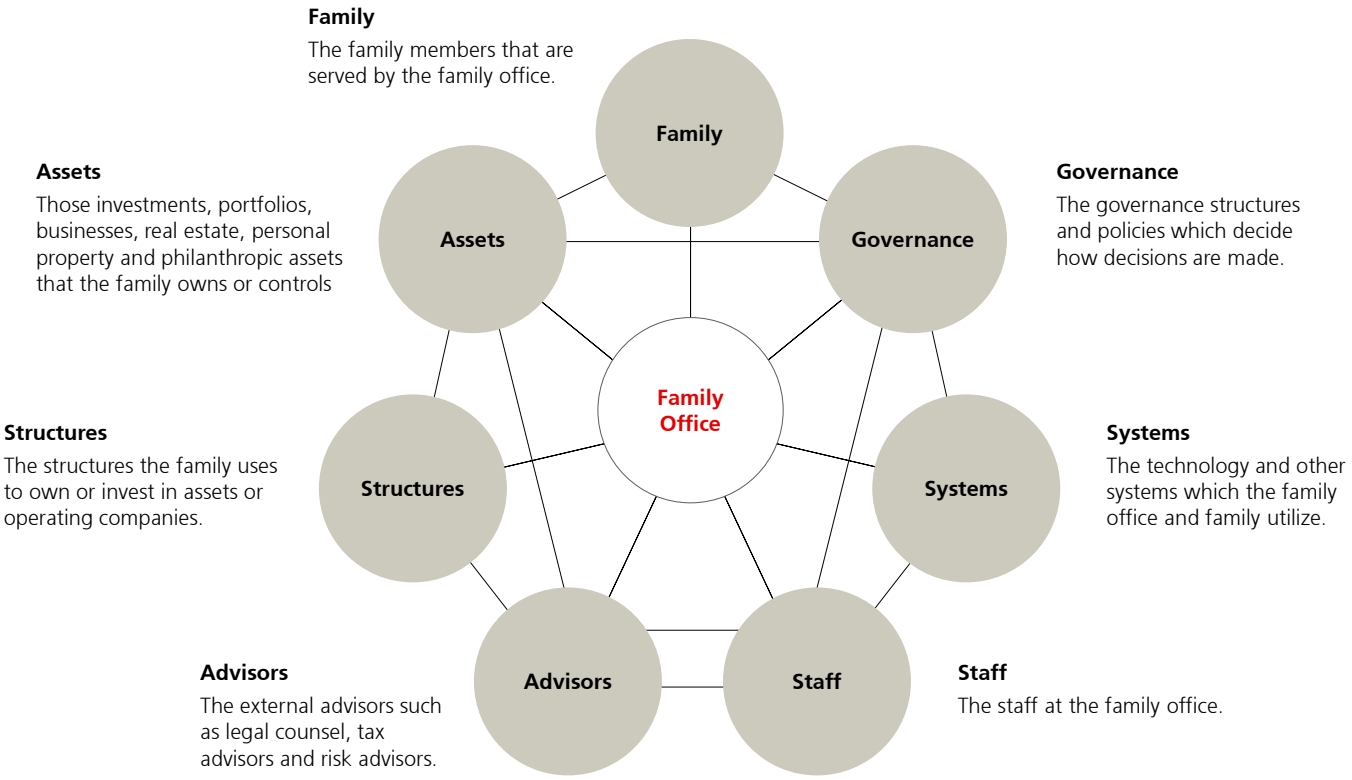
We hear comments like these from families and family offices we work with almost daily. These comments aren't urgent nor are they a demand. They simply recognize that the family and the way they have always done things must shift.

This shift requires more than paperwork or merely adding a rising-generation family member or two to an informal investment committee. The shift is cultural for the family. It is changing how they have always done things. These changes are uncharted lands for the family and family office.

We keep hearing about the "Great Wealth Transfer," a narrative referring to the transfer of hundreds of trillions of dollars from one generation to the next. The problem is that the word "transfer" is misleading. It is more of a culture change that the family and family office goes through, rather than a shifting of assets.

Understanding what must change can be a challenge. Changes in family decision-making or asset allocation often trigger broader adjustments. For example, accommodating a rising-generation member's preferred asset mix may require changes to pooled investment structures, the creation of new vehicles, revised decision-making frameworks, upgraded asset-tracking systems, and additional advisor support. The following model is often helpful to see the full scope of changes that might occur. It illustrates how change in one area of the family or family office will impact other areas of the family office.

The Family Office Alignment model



Note: Inspired by the McKinsey 7-S Model.

Adapting interests and preferences

"What does the family office do?"
- A rising-generation family member

As family members mature, their relationship with wealth, as well as their role and participation in the family offices, changes. Some become more involved in investments, ownership structures and relationships with external advisors, while others step back. Some want greater autonomy and flexibility in managing their portfolios, others are content to just be informed and passive, while others fall somewhere in between. The family office must be prepared to support these different levels of interest and involvement.

Evolving not transferring assets

"I'd like to make a small investment in this venture capital fund with my trust."
- A rising-generation family member

As families mature and engage more actively with their wealth, their assets and balance sheets evolve. Changes are rarely sweeping; they typically occur at the margins. Some family members may depart from the family office's traditional investment program by pursuing a direct opportunity introduced through their network, making a modest allocation to impact or sustainable investments. These choices usually reflect a desire for greater individual autonomy, rather than a fundamental shift in the family's overall strategy.

Reconfiguring structures

"We have had to make decisions together as a family for seemingly forever, I don't necessarily want that for my kids."
- A senior-generation family member

As family office investment capital shifts, management structures must change accordingly. Some family members may step into trustee roles while others resign. This also may mean creating new pooled vehicles, but more often it involves revising or unwinding existing arrangements to give a growing family greater flexibility. Assets may be separated at the management level—for

example, by restructuring a family investment partnership—so decisions need not depend on the broader family group. Not every management or ownership structure needs to be divided, however. The most practical approach is often to determine which activities are best pursued separately and which still benefit from collective action.

This widespread shift requires integrated technical, relational and practical analysis. Any restructuring of pooled vehicles must also account carefully for tax consequences while expanding flexibility for individual family members.

Adapting governance

"My brother and I have always made decisions over the family investment partnership, but our children need to be involved at some point, as it'll be theirs."
- *A senior-generation family member*

As families grow and engage more actively with their wealth, their often informal decision-making arrangements must evolve. Structures that once worked may no longer fit, requiring a transition from founder-led governance to sibling- or cousin-led models based on asset type and ownership. Although some business decisions may remain unchanged, communication and information sharing should expand.

Upgrading systems

"The family members want to see things different ways."
- *A family office executive*

As families and their assets develop, systems must also adapt to track and report wealth effectively. Differences in communication preferences and investment choices increase portfolio complexity, creating a need for consolidated reporting, more sophisticated accounting, varied reporting formats, and more tailored interactions with family office staff.

Changing advisors

"I just don't connect with that advisor."
- *A rising-generation family member*

Over time, family members may move to new jurisdictions, which often requires new advisor relationships. These may include legal and tax specialists with local expertise, as well as professionals suited to the family's future needs rather than its existing structures. At other times, the personality fit between advisors and the family may no longer serve and could require a change. New advisors with specific expertise may be needed to help the family build new structures and processes. Because incumbent advisors retain valuable institutional knowledge, new advisors can complement rather than replace them in many instances.

Family office at the center of change

"How should we start engaging the next generation?"
- A family office staff member

Family office staff must build relationships with rising-generation members, many of whom may have had limited contact with the office. Staff and family members need time to become comfortable working together. Because younger members may not fully understand the office or their role in the family enterprise, they often look to staff for guidance. The family office can draw on its institutional knowledge to help them assume greater responsibility.

At the center of this transition, the family office must guide the family through change while evolving itself. This requires staff to deepen engagement and build relationships across the family.

What is absent in the framework?

The framework intentionally omits a predefined purpose or mission for the family office. Defining one before assessing how the office must evolve can narrow its mandate and make it less relevant to some family members. Instead, the family office's purpose should emerge from the family's circumstances, needs, goals and objectives—especially in multigenerational families spanning multiple households. This does not mean the office should serve every need; rather, defining its purpose too early can exclude family members and create a poor experience.

Family members who are new to the family office need a clear understanding of its role. For those who were not involved in its creation, the office can feel like a black box.

Prescriptive framework

Navigating new terrain

For families and family office executives, navigating change can feel like crossing a forest at night. The executive usually has the clearest view of the terrain, including its technical, relational, tax, structural and governance dimensions. As conditions change, that experience remains essential to guiding the family through unfamiliar territory. Neither the family nor the family office executive may have followed this exact path before, but lessons from earlier journeys can help illuminate the way forward.

A realistic, transparent approach is often most effective. The family office executive must acknowledge the uncertainty while maintaining forward momentum to build support for change. The route may not be fully mapped, but clear objectives and candid communication can create alignment and keep the family moving forward.

Start with what exists

Family members who are new to the family office need a clear understanding of its role, services and value proposition. For those family members who were not involved in its creation, the office can feel like a black box. Going through a "family office 101" with family members is often very helpful. It is hard to change what is not understood.

The Family Office Alignment model provides a helpful overview and illustrates the interconnectedness of each component within the system. Modifications in one area frequently influence all other components. The family office serves as the central hub, facilitating connections among all elements.

A thorough understanding of the entire system and an honest assessment of necessary changes are essential initial steps. Naturally, devising a clear path forward presents additional challenges. While family office executives often identify the required changes, determining the optimal methods and timing for implementation can be complex.

Identify needed changes and sequence the steps

Every family we work with can usually name two dozen items that need to change. Of course, this list can be paralyzing. To start, it is often helpful to change what can be more easily changed. These small wins start the change process and create momentum.

For example, take consolidated reporting. Implementing or updating a reporting system creates shared visibility and begins building an informational foundation that rising gens will need. Start there or with another similar change that doesn't disrupt the family culture at this stage. Governance restructuring and changes to decision-making will require more time to build the trust necessary for next steps.

Recognize what must be let go

For a wealth creator accustomed to controlling every decision, change may feel like a loss of authority. Positioning new practices as a continuation of the family's legacy can make the transition easier. The aim is to preserve what matters while allowing established practices to evolve. Later generations may adapt more readily, though each family's experience will differ.

Recognize strengths and limitations

Family office executives contribute deep institutional knowledge, but their close relationships with family members can make difficult issues harder to raise. External advisors can assess the tradeoffs more objectively, offer independent guidance, and reduce the executive's relational risk during transformation.

Seek an independent viewpoint

Although outside expertise adds cost, it can give family office executives valuable perspective. Experienced advisors can test assumptions, encourage forward-looking decisions, sustain momentum, and help manage the relational strain of implementing new strategies.

Prioritize progress over perfection

Because families continually evolve, change is never finished. A family office that is no longer being challenged may reflect a family that has stopped adapting. Effective family offices remain responsive to shifting needs and priorities.

Conclusion

The Great Wealth Transformation is not a single transaction or a one-time succession exercise. It is an ongoing process of aligning family members, assets, structures, governance, advisors and the family office itself. Families do not need every answer before they begin. What matters is having a clear view of the current landscape, honest conversations about what must change, and a practical sequence of steps that builds trust and momentum.

By starting with achievable improvements, preserving what remains valuable, and drawing on independent perspectives when needed, family offices can help multigenerational families move forward with greater clarity, flexibility and confidence.

Mark R. Tepsich

Mark is the Head of Family Office Design and Governance, advising families across the Americas on family office organizational design, structure and governance, as well as operational best practices and strategy to manage and sustain their wealth for future generations. Prior to joining UBS, Mark built a family office platform for an investment advisory firm and spent a decade as General Counsel for a large single-family office to a dynastic, multigenerational family.

Keeping it in the family:

When to bring your tax advice in-house

Alex Johns
Managing Partner
Hunters Point Partners

I've been recruiting tax professionals into large multinational corporations, funds and family offices across Europe and North America for over a decade. Of my clients, family offices are often the most idiosyncratic organizations. They also can be some of the most incoherent due to their tendency to hire in a reactive way and select candidates based on trust and proximity, rather than skillset. How can family offices take a more orderly and thoughtful approach to hiring tax advisors?

Hiring an accountant or a tax lawyer in-house for the first time means building governance and processes from scratch, which is more painful than outsourcing. In this article, I'll discuss when it makes sense for a family office to bring a tax advisor in-house, how to prepare for this—including how to define a job description that best fits the needs of the family office—and how to go about hiring an appropriate candidate.

Tipping point

The wealthy have always been ahead of the curve when it comes to taxation. The Rockefeller family office, for example, predates the introduction of modern federal income tax by thirty years. With few exceptions, all family offices manage tax compliance and planning in some way by using a network of external advisors. This works fine for the passive allocation of capital, but as families increasingly make more direct investments by taking stakes in private companies, co-investing alongside institutions and in some cases, leading deals themselves, tax needs can swell into deal sourcing, diligence and structuring transactions. These require tax expertise that is commonly outside of the scope of the family's legacy advisor network.

Rather than replacing external advice altogether, a tax expert working within the family office team can provide a number of important benefits.

Family offices tend to rely on different firms to advise on disparate parts of the family's affairs. However, this runs the risk of no single external firm having full sight of every investment, trust and holding. In addition, there is the risk of these firms being acquired and the relationship transferred to a larger organization; 24 of the top 100 CPA firms in the US, including at least 10 of the top 30, are now private equity-owned. Service lines change. Longstanding advisers move on or shift responsibilities, severing the transfer of institutional knowledge. Wealthy families are intensely private. Tax advisers have access to sensitive, sometimes messy information about dynastic wealth, ownership, succession and relationships.

To keep up, families must begin to operate more like the sophisticated firms they're investing alongside, which means building in governance, controls and organizational design. Rather than replacing external advice altogether, a tax expert working within the family office team can provide a number of important benefits, including:

- Protecting continuity
- Controlling who receives information
- Preserving the history behind the family's structures and decisions.

A tax hire should provide continuity, discretion and clearer ownership of decision making. The point isn't to replace every outside advisor, but to challenge external advice with pointed questions that test assumptions.

Defining the senior tax hire

When I'm meeting a family office for the first time, I usually ask them to start with the big picture. What is the point of the family office? Are you playing defense by preserving wealth across generations, or offense by growing the numbers through active investing? Is the mission to spend it philanthropically? What role does the family office play? Is it a concierge service responsible for keeping the family compliant, or are they part of the investment decision-making process? From there, we can start to design the duties and responsibilities.

Any good tax job will revolve around four key areas:

Oversight of tax compliance

- Prepare tax returns, which could include individual, trust, estate, partnership and corporate

Risk management and audit support

- Assess tax risks and implement mitigation strategies
- Respond to questions and audits from authorities
- Maintain controls and documentation

Tax planning and advisory

- Make tax-informed decisions, including income projections, gifting, giving and estate planning
- Assess the tax impacts of investment transactions and structuring decisions
- Advise on wealth transfer and estate tax minimization

Team and advisor coordination

- Manage and coordinate information to/from advisors, CPAs and legal counsel
- Evaluate the performance of advice and the quality of the relationships
- Channel information to family members

The weighting of these duties should dictate the level of experience and background required. Working with external preparers, a manager with five to eight years of experience within a private wealth practice will be able to manage the compliance schedule and respond to any audit requests. As for tax planning, how sophisticated are the tax positions, and how much of the advice are you looking to bring in-house? At one end of the spectrum, the family may hold cash, public securities and passive fund investments. At the other end, a family office's investment-forward strategy may involve direct acquisitions, investment partnerships and SPVs, or sponsor private funds. The latter would require fund, GP and management-company structuring expertise, and is the difference between hiring a CPA earning ~$160,000 versus a sixth-year tax associate earning $495,000 at a law firm.

The fourth bullet point is about leadership and plugging the remaining gaps. These are soft skills that often come from years of experience: what is the level of interaction with the family, and what does the family expect from the relationship? As a CFO once said to me, sometimes you have to tell them "not to buy the boat"—which isn't always easy for a more junior advisor.

Hiring for the long term

"Hiring well" into family offices often means replicating best practices from large corporations and funds where hiring is structured and routine. This is a more straightforward task for a European family office, which often has deep roots and alignment with operating businesses, whereas a US family office looking for investment-savvy tax professionals must compete with hedge funds and private equity firms for talent. There are three things a hiring manager needs to present before making a hire:

1. Accurate information about the position and its balance of duties.
2. The potential progression of the role.
3. An incentive structure, such as a year-end bonus or salary increases, that rewards continuity and good judgement.

The key is to leave enough headroom for growth. Hiring someone capable of performing every conceivable duty on their first day is expensive and may produce a role that quickly feels too small. The professional should be ready for the family's current tax needs, with the ability and incentive to grow into the structures, relationships and decisions that emerge over time.

The right time to bring tax advice in-house is before complexity becomes a problem for somebody else to solve. The right hire will not remove the need for external advisers, nor arrive knowing every detail of the family's affairs. They will create order around those relationships, retain the knowledge that firms and individual advisers may lose, and develop a consistent tax position across the family's investments and holdings. If the role is defined around the family office's future, rather than only what it needs today, trust can be built through years of sound judgement rather than treated as a substitute for relevant experience.

Alex Johns

Alex is Managing Partner of Hunters Point Partners, a New York-based search firm specializing in tax, transactions and finance transformation placements. He has more than a decade of recruitment experience across Europe and North America, advising multinational corporations, funds and family offices on mid-to-senior-level appointments. His work spans both contingent recruitment and retained executive search.

Radical act of empowerment

How one company discovered the potential of happy employees

Asher Raphael
Co-CEO
Power Home Remodeling

John S. Mathews
Head
Private Wealth Management Americas
UBS Global Wealth Management

This quarter, our Family Office Solutions conversation series features Asher Raphael, Co-CEO of Power Home Remodeling, and John Mathews, Head, Private Wealth Management Americas. Their conversation explores the values and reverse-engineered strategies that have built Power into the nation's largest and highest-rated exterior home remodeler.

Asher's clear vision and ability to stand by his convictions have led him to create a truly people-first company. He invests in a culture based on trust, camaraderie, and diversity in both thought and life experiences. This approach transformed the organization from a small local business to one currently employing over 5,200 people, serving 28 territories and forecasting $2.2 billion in revenue.

Highlights

- Power's operating model starts with serving employees so they can better serve customers, making culture a growth engine
- The rise from an entry-level role to co-CEO informs a hiring philosophy that values character and work ethic over pedigree
- Power's performance starts with employee well-being. The company invests 2% of top-line revenue in employee experiences, including the famous three-day Quest by Power music festival
- Power's decentralized giving model allows every employee to propose grants for personally meaningful nonprofits, increasing pride and participation, as well as producing greater impact
- By distributing $360 million in transaction proceeds and bonuses according to tenure and responsibility, Power demonstrated their belief that employees who build enterprise value should participate in it

John: Today, I'm excited to be joined by Asher Raphael, Co-CEO of Power, which most recently was ranked 20th on the 2026 Fortune 100 Best Companies for Work For. This year, Asher was also recognized on Glassdoor's Best CEOs of 2026 list.

Asher, you've spent more than two decades at Power, starting at an entry level role and ultimately helping shape the company as one of the best places to work. So tell us, why did you stay at Power all these years? And what values guided you to create the culture that you've created there?

> My mom worked in the Bronx public schools. My dad was a cook, and both really instilled in me that your life's work was supposed to be in service to others.

Asher: First of all, thanks again for having me. Before getting to why I stayed, I think some background as to what got me there will give some color to the story because finding Power was totally accidental. I grew up just north of here in Westchester, New York as part of a blue collar family. My mom worked in the Bronx public schools. My dad was a cook, and both really instilled in my brother, sister and me the importance of service, that your life's work was supposed to be of use to others. I went to American University where I played soccer and met Corey Schiller, who is my best friend and my business partner, my Co-CEO. I studied political science and did several internships in DC, all in the nonprofit world.

My plan upon graduating was to go to law school, because I saw during these internships that lawyers were running these nonprofits. I thought getting a law degree was how to start making an impact on the world. However, I needed to get a job while I was studying for the LSATs. Corey and I had one connection and that was my older brother, who had started at Power during its infancy. He had worked his way up and was a sales manager. He said that we could move to Philadelphia, the company's headquarters, and work for him for a year. It was mostly night work so we could study during the day. To us, it was just a pit stop, and we begrudgingly took the job.

What we found when we got there was really different than what we had expected. Not that it was an impressive business at that point. It was small, with about 40 employees and about $8 million in revenue, but there were some amazing things going on inside of those walls, starting with a month-long holistic training program. Graduating from it was harder than graduating from university for me. But upon graduating, we sounded like we grew up in the industry. We were given a skill set, and as a result, we had instantaneous success. I was tracking in my first year to make about $150,000, and that gave me the opportunity to experience something I'd never seen growing up, which was financial freedom. And it changed everything about me in real time. I'm dyslexic and had spent my life with the world telling me what my limitations were versus my potential. And I just started to question that and what was possible for my life.

And at the same time, Corey and I were receiving amazing mentorship from the two founders, Adam and Jeff, who were cousins. And we were happy. I loved working with someone who was my best friend and working for someone who I believed in—my other best friend and brother.

So six months in, I had to ask myself, why am I studying for the LSATs? Why am I leaving something that is making me so happy? Is it because law school will enable me to really make the positive change I want in the world? Or do I want to say I'm a lawyer because saying I'm a window salesman didn't have the same sizzle? And the truth of the matter was, I didn't think there was anything I could do with a law degree that would enable me to make a bigger impact in someone's life than giving someone the same opportunity that I had just lived through in real time. How many other blue collar kids were there like me and Corey who didn't go to Ivy League schools? If they could be given the same opportunity, it would change the trajectory of their lives also.

And that's what we decided to do. We were going to stay, but not with the company as it was. We had a vision for what the company could become: A truly great American business. We would build it by finding the types of kids like us that other people weren't betting on, and give them the training and mentorship that they needed to really step into their potential and to love the business in a way that most people don't. We started on that mission, just entry level kids at that point, and kept learning the business as we went.

In 2011, we became minority shareholders and then in 2013, majority shareholders. Fast forward to today; what has changed is really the scale of the business. We went from one office in Philly to 28 nationwide. We went from 40 employees to about 5,600 today. We'll do about $2.2 billion this year. So the scale of the business is different, but the values have stayed the same.

It is about a business that is set up to serve its people, not the reverse. We work in the service industry and believe that if you serve your people better than anyone else, they will serve your customers better than anybody else. It is the idea of building people back up, which is what motivates us and why we continue to stay.

John: What a story. I've always said that leaders define culture, and culture defines organizations. So a great way to get started and hear how you got where you are.

You've also said that you want to have the happiest employees in the country. How do you create the happiest workplace while also building a massive organization and multibillion dollar business? How do you do both?

Asher: That's the hard one to thread the needle on. And it's like a KPI for me. I want to have the happiest employees in the country. I don't think I'm particularly unique in wanting my employees to be happy. I think what's different is the order of operations. Most business owners think they need to first figure out how to get their business growing and profitable. And once that's done, then they can really focus and invest in their employees' happiness. And truth be told, that part is never done. The company's never going to be big enough. It's never going to be profitable enough. That will always still be there.

Our approach puts that on its head. It is very simple. I don't know any group of people that perform better when they're stressed and unhappy and scared. They perform better when they feel safe and when they're happy. That's when they thrive. We need people to implement and to execute our business models. And if people execute better when they're happy, that's where we need to start. We are trying to reverse engineer what we prioritize. How do we create an environment where people have the tools they need for them to feel safe and for them to be happy?

John: Yes, I think that's so inspiring and it makes such a big difference in the relationships your people can build with their customers because they believe in something. That just seems like a winning strategy to me.

I see across the whole business world out there, and what you're doing is special. And one of the reasons is that you've got this amazing corporate giving program called Power for Good, with a mission to unleash the philanthropist in every employee. Why were you convinced that an employee-led model was the right program to go with?

Asher: I didn't start off convinced. I'm pretty new to the world of philanthropy and corporate giving, and as a rule, I try not to have a strong opinion without information. So as I started that journey, I needed to surround myself with people who have lived and walked down that road. I reached out to my UBS Financial Advisor Jamison Licausi, who I have an incredibly close relationship with, and he connected me with Liz Cribbs, Senior Strategist for UBS Family Advisory and Philanthropy Services. She was kind of the sherpa for the beginning of the journey for me and introduced me to Anu Gupta, who now runs my foundation. I started learning about how companies and individuals give.

As I started to educate myself about the typical rules of the road and best practices, right away, I thought this is not an entrepreneurial way to go about it. With the top-down approach where the CEO chooses an issue, people are not engaged. People aren't taking a job with an organization because of it. They're not staying with that company because of it. Right away, I thought we could do this differently and better. And I think we have actually done that—we've built a better mousetrap.

We give every employee an opportunity to apply for a grant to any foundation of their choosing. In that grant writing, they have to explain why they're passionate about it, why they care about the issue, and why they think this foundation would be good stewards of our investment. The impact is 100x to best practice, and I mean on both sides of this.

Every week, I get to read these applications and learn about organizations that are doing unbelievable work all over the country that I would never know existed. It's incredibly inspiring. But I'm also learning about my employees. I'm learning about their life's journey, what has affected them in the past, and what is currently affecting them or their families and their children.

And the reverse of it, think about how they feel allocating these funds to something that they care about, that they are personally connected to. They are engaged, prideful, and fulfilled.

All of this is not saying that companies should have to invest more dollars. I'm saying the same amount of dollars, just reallocating how it's distributed. The impact is meaningful, and there's not a lot of things I think CEOs can do with the stroke of a pen to change how something is done that could have that type of outsized impact.

John: I would bet or guess that many of the people who joined your organization probably didn't know about the democratizing of giving. But once they're there, it makes it really hard to leave because, going back to your point, the engagement they have with these local organizations that they're tied to, and the connection that it brings to you and to them, is just something special.

Now another thing you do to create happiness around your organization is what you do for an event. Most companies do some sort of holiday party, right? Sometimes it's a check-the-box exercise, but not for Power and not for you. You do a multi-day festival with headline performers like Dua Lipa, Bruno Mars, and Post Malone. What are you trying to build out of that that you couldn't accomplish by doing something maybe less big, so to speak?

Asher: So the end-of-the-year party that we throw is a three-day music festival called Quest by Power. It gets a lot of attention because of the headliners, but it's actually just a piece of a much larger employee engagement strategy that Power has.

We thought, what if we could create a once-a-year or once-in-a-lifetime type of event for someone, so that at the end of the year, when they think back on the past year, their fondest, best, and most fulfilling memories were provided by the organization and experienced with the people they work with every single day and their families? We have spent decades investing in that creation.

We invest 2% of topline revenue, not profitability, for internal events and experiences for our employees of all different types, not just music festivals.

I think that's what we've accomplished. That's what people feel when they're looking back at the end of the year. And to answer the specific question about the music festival, I don't think we could have the same output or create the same type of effect by giving less. We could make people feel happy and fulfilled, but I want max impact. It's hard to explain if you haven't been there, but that's what we create. It is the happiest group of people you've ever seen.

And to put some color to it, the lineup that we put together every year over those three days is better than the lineup at Coachella. And instead of 100,000 people experiencing it, you're experiencing it with 3,500 folks. It's like a family reunion.

On top of that, it isn't just the exclusivity of it - that the only way to get there is by being an employee. There's a feeling of ownership and pride that they're not just at the best music festival in the world; they're at their festival. They built it. And you're talking about not just executives. These are frontline, regular folks who work hard every single day. They get to experience something that no one else does, and they feel rewarded and rejuvenated at the beginning of the year. I just don't think that can be created with the mentality of, how can I give less?

It's also a full-circle thing. Over the course of those three days, more people visit our website and social channels than during any other three-day period. The result is that this year we'll receive about 500,000 unique resumes from people who want to work for us. It creates new interest in the business, and, as you just spoke about, retention of people who feel appreciated. It's an amazing thing.

John: What stands out to me is this family environment. You've really created this community. I can just picture the expressions on the employees' and their family members' faces while they're celebrating this. But as the Co-CEO and businessperson, you're not just doing this accidentally. You're investing a lot of money back into this because you know it's going to enhance the growth of your company. I think it's incredible.

Giving back to your employees, the people that help build your business, is something I know you always talk about. In your most recent transaction, you actually gave $360 million in proceeds and bonuses back to your employees. So what's the philosophy behind this, and what inspired you to do it?

Asher: Well, I mean, what an awesome opportunity to be able to do that. It is hard to put into words. I think the spirit behind it, the philosophy behind it, is kind of the North Star of everything that we do, which is to be reasonable and fair. I think it's reasonable that the people who go to work every single day to drive the value of the business, the value creators, should get to enjoy the value creation. That just seems fair to me.

Believe it or not, this is the second time that we got a chance to do this. When we brought in Harvest Partners—our first private equity investor—we told them to plan on giving away about 50% of the proceeds. Every employee would qualify, based on tenure or responsibility.

The reaction from the PE folks that we met with was a balance of shock and concern. Would really big bonuses for the most tenured people mean they would retire? Would newer people leave the company if they were already thinking about a career change? Was this going to drive the business into the ground?

Luckily for us, Harvest had gotten really smart on the organization. They understood our people and our culture, and they understood that there was no better investment that we could make. It was the right bet. It was the conviction that our employees had that they felt rewarded and treated fairly. And there was a drive forward that was unlike anything I'd ever seen in my 20 previous years.

Listen to the full conversation

Asher Raphael

As Co-CEO of Power Home Remodeling, Asher believes in leading from a mindset of people and purpose before profit. He is passionate about leadership development and company culture, and is driven to build the best place to work in the country. His career at Power began in 2003 in an entry-level sales position. He excelled in his role and quickly advanced to a variety of management positions. Together with Co-CEO Corey Schiller, he developed and oversaw Power's expansion plan, which began in 2009. Power is now the nation's largest full-service exterior home remodeler.

John S. Mathews

John currently serves as the Head of Private Wealth Management for Global Wealth Management US. John sets the strategic direction for UBS Private Wealth Management and helps UBS Private Wealth Advisors deliver robust capabilities and solutions to clients. He built and collaborates with dedicated knowledge centers at UBS, including Advanced Planning, Family Advisory & Philanthropy Services, Family Office Solutions, Global Families & Institutional Wealth Americas, and the OneBank Coverage team. John plays an instrumental role in coordinating the firm's capabilities, which includes the integration of global solutions from our Investment Bank as well as our Asset Management Division. In addition, John is also a member of the Global Wealth Management US Management Forum.

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