



Family Dynamics

Questions Your Wealth Advisor
Should Be Asking You

If your wealth advisor isn't asking you these questions, it's time to consider whether you are working with the right person for your family.

Working with the right wealth advisor for your family.

Many advisors are competent at investing yet fall short when navigating family dynamics. Working with a wealth advisor who understands your values, your family's history, and the interplay between your heirs is crucial to developing a successful plan for generational wealth.

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Caprock, a private multi-family office, protects and grows wealth objectively.

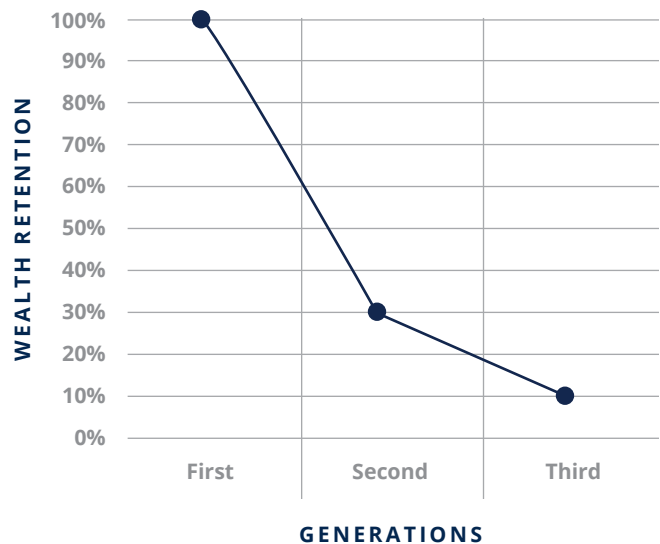
1. Have you shared your values with your children?

Families that are successfully transitioning multi-generational wealth share a common approach: They have defined family values and consistently strive to live up to them. The key is sharing those values early and often. Multi-generational wealth holders who understand their privilege, and are united in how to share it, have a far greater chance of sustaining their moral and monetary legacies for generations to come.

2. How have you prepared your heirs for the responsibilities of wealth?

"Shirtsleeves to shirtsleeves in three generations" is not just an old adage; it is a reality. According to one survey of 3,200 families, 70 percent of families had lost a substantial part of their wealth during the tenure of the second generation. By the third generation, that number rose to 90 percent.* It is critically important to prepare heirs for the responsibility of inheriting significant wealth.

*Preparing Heirs: Five Steps to a Successful Transition of Family Wealth and Values" by Roy Williams and Vic Preisser.



3. When was the last time you had a family meeting?

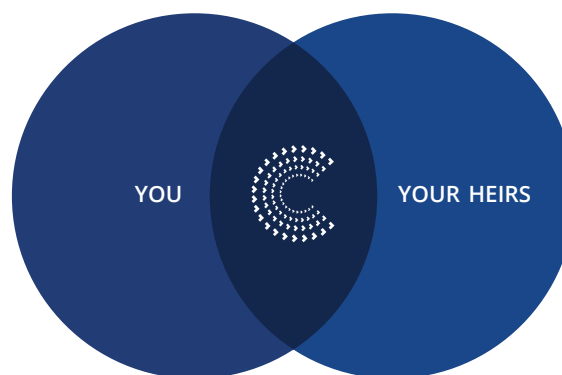
The importance of clear and consistent communication cannot be overstated. Regular family meetings — even if conducted only once or twice a year — are crucial for keeping heirs updated and on the same page. A family meeting provides an opportunity to go over and reinforce the family mission, review current portfolio and business status, develop plans for the future, and address any challenges and concerns any family member might have.

4. Do your heirs know the entirety and scope of your wealth?

Transparency and trust are critical elements of successful family transitions. Heirs must fully understand the nature of their inheritance, including the breadth of your investments, so they can create a comprehensive plan to manage and grow it for their own children.

5. May I speak to your children individually?

Often, information about the family and heirs' plans for the future comes directly from the person who will be passing on wealth. At Caprock, we also speak with heirs to learn about their perspectives and listen to their plans. As a neutral party whose interest is in helping the family succeed as a unit, our team is adept at uncovering assumptions and listening to information that may have been forgotten, unheard, or even unsaid. This knowledge helps us craft an inclusive plan of action and adds dimension to client discussions and decision-making.



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6. Who wants to be part of the family business, and who has other interests?

It is important to understand the unique character, strengths, and capabilities of each family member. Family members who do not wish to join the family business must have the opportunity to create their own legitimacy within the family and develop their own unique dreams. Talking with them about their hopes will help you be supportive of the legacies they would like to leave.

7. Have you given one of your heirs more responsibility than the others?

In our experience, wealth transitions are more successful when all the heirs are valued and treated equally. Giving one heir dominion over the others can lead to unnecessary conflicts that reverberate well into subsequent generations. Creating a more equitable plan in which all heirs are trusted and appreciated for their own unique capabilities is a critically important step in maintaining generational wealth.

8. Are you trying to exert too much control?

If you have diligently built a business or managed family wealth it can be understandably difficult to pass that responsibility on to the next generation. An estate plan full of caveats and clauses may ease the fear of bestowing wealth, but it could communicate distrust to your heirs and may leave them feeling disempowered or incapable of managing their wealth.

Your heirs are unique individuals who have their lives to lead and who may change course. If you instill your values in them, you can enjoy greater confidence in their capabilities — micromanagement, however well-intentioned, is not sustainable over generations. The families who are most adept at preserving their generational assets are those who recognize money is a commodity, but values are forever.

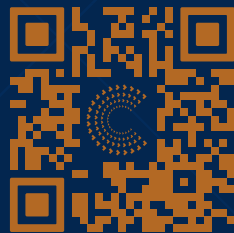
9. How often can we meet?

At Caprock, we believe consistent conversations with our clients are invaluable. As a multi-family office, we immerse ourselves in the lives of our clients to gain a deeper understanding of their values, their goals, and the personal interplay that may affect future generations. This perspective can only be developed with time and trust.

If your advisor reaches out only when documents need to be updated, it's time to discover the transformative power of a team that is fully aligned with your success as a family — not just the growth of your balance sheet.



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