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Richard P. Slaughter Associates Inc.

Brooks Slaughter, CFP®, MBA, President and CEO

“How do I strengthen my family’s financial ties?”

By Brooks Slaughter

Family wealth has its own life cycle.

In too many cases, the first generation builds the wealth, the second generation spends it and the third generation must start from scratch to rebuild what should have been a secure family financial legacy. There are, however, ways to stop this common progression. As your family’s first-generation wealth creator, you have the ability, with help from your wealth management advisor, to shape and guide your family’s financial attitudes and priorities.

Teach your children well. You honed your financial and business skills through years of experience. So you cannot expect your children to immediately understand the complexities that took you decades to command.

But you can teach them. How? First, ensure that your children know money is neither good nor evil. It is a tool that requires training and responsibility in its use. Also make sure your children understand that they have the responsibility to teach their own children the same financial lessons they learned from you.

Give up some control. As you know, hands-on learning is a powerful teacher. While it may be difficult for you to let go of your stewardship role, put your heirs in

charge of some assets, spending and income production.

Monitor their progress, of course, and help them through difficult decisions, but allow them to make their own mistakes.

A good option for on-the-job training is a family foundation. Family members can be involved in the management of assets and distribution of grants. This will facilitate conversations about personal priorities, the strategic direction of the foundation and the sustainability of the assets.

The foundation discussions then can flow naturally to how these ideas apply to the family’s business and wealth management.

Accept and encourage help. Make sure that your heirs understand that they, like you before them, should seek professional help.

Introduce them to your wealth-management team. Teach them how you initially picked your advisors and how you continually assess their performance to ensure they are working in your, and the family’s, best interests.

Restructure assets and leverage. Managing complex capital intensive assets and high amounts of leverage takes increased skill and experience.

Allow new family stewards to “ease their way in” with income-producing assets and less leverage. Your wealth


management advisor can help you with this important transition.

Communicate with everyone. While your focus rightfully is on your heirs, remember to engage your most important partner: your spouse.

A wife or husband may have different attitudes about transferring wealth to the next generation. There may be worries about the spouse’s own future well-being and how it fits into the long-term plan. Do not let these often unspoken fears fester. Make sure you and your spouse are on the same page.

Similarly, acknowledge family dynamics. Do not be afraid to treat different family members differently. Some children might not have any interest in, or the skills necessary to, run the family business. Others might not want to manage significant wealth.

Do not assume or presume. Discuss your decisions frankly and thoroughly with each family member, preferably with a trusted advisor present, to ensure everyone understands the generational moves you want to make.

Finally, do not delay these discussions and the educational process until your children or grandchildren are “ready.” Start now so that you can ensure your family’s wealth will continue to grow, with its legacy protected for many more generations. 

“As your family’s first-generation wealth creator, you have the ability, with help from your wealth management advisor, to shape and guide family financial attitudes and priorities.”

—Brooks Slaughter

How to reach Richard P. Slaughter Associates Inc.

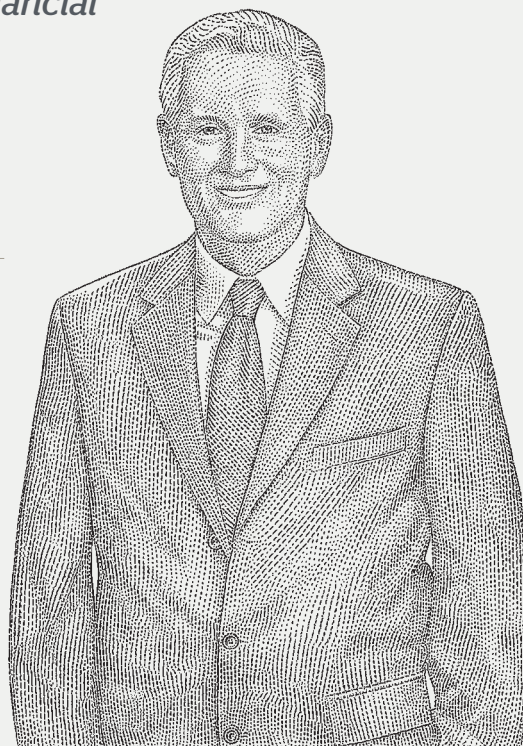
You can reach any member of our team at 512.918.0000. We look forward to speaking with you.

MY MOST INFLUENTIAL PROFESSOR...

Was my undergraduate professor in electrical engineering, who encouraged a lifetime of learning. His favorite quote was, “If you aren’t growing, you’re dying.”

MY GOALS FOR THIS YEAR INCLUDE...

Getting my daughter off to her first year of college and teaching my son to drive.



MY FAVORITE SPORTING EVENT OF ALL TIME...

Was the 2006 Rose Bowl National Championship game between the Texas Longhorns and the USC Trojans. The atmosphere of the Rose Bowl and the incredible finish made the game a once-in-a-lifetime experience.

About Richard P. Slaughter Associates Inc.

Richard P. Slaughter Associates is a leading wealth management and financial planning firm, which specializes in working with high net worth individuals, families and businesses. Slaughter Associates cultivates a comprehensive financial relationship with its clients by delivering expertise in financial planning and asset management and by coordinating with tax, insurance and estate professionals. The result is a holistic approach, unique in a financial industry that is often segmented and outsourced. By committing to each of these important components, Slaughter Associates charts a path to reach the individual financial goals of its clients. Founded in 1991 in Austin, TX, by Richard P. Slaughter, Slaughter Associates is one of the original fee-based firms in the nation. With offices in both Austin and the Dallas-Fort Worth Metroplex, Slaughter Associates has been recognized by the National Association of Board Certified Advisory Practices as a Premier Advisor and has been given Exemplary status for expertise in personal risk management.

Assets Under Management
\$290 million

Largest Client Net Worth
\$20 million

Minimum Fee for Initial Meeting
None required

Minimum Asset Requirement
\$500,000 (investment services)

Website
www.slaughterinvest.com

Compensation Method
Asset-based and hourly fees

Professional Services Provided
Planning, investment advisory and money management services

Primary Custodians for Investor Assets
Charles Schwab & Co., Pershing and TD Ameritrade

Association Memberships
Financial Planning Association, The National Association of Personal Financial Advisors

Email brooks@slughterinvest.com



Brooks Slaughter, CFP®, MBA
President & CEO

Richard P. Slaughter Associates, Inc.
13809 Research Blvd., Suite 905
Austin, TX 78750
Tel. 512.918.0000

brooks@slaughter.com
www.slaughterinvest.com



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