

## FAMILY WEALTH

Considering that 21<sup>st</sup> century Americans live in the wealthiest country in history, it seems only natural that someone would publish a book about how to plan for the transition of wealth to future generations. Ironically however, the books I have seen in the past focus only on the financial torch that will be passed to the next generation, and not the more relevant family belief/value system.

James E. Hughes, Jr. has written a thoughtful and very personal book, *Family Wealth*, which discusses the many facets of family wealth: human, intellectual and financial. And though his objective of preserving financial wealth for many generations might not be feasible for all families, his thoughts on transferring values and dreams could apply to any parent, manager or small business owner.

His book opens with the statement, “family wealth is not self-perpetuating.” In fact a common reference to the proverb of “shirtsleeves to shirtsleeves in three generations” is a phenomenon of vanishing wealth not only seen in the U.S, but worldwide. His theories support this proverb as he states too often we fail to pass along our values and beliefs when we pass along our wealth, thus leaving future generations poor in spirit but financially secure, to which they have nothing to leave third and fourth generations.

One of his most interesting discussions in this book relates to the uniquely personal transition from “doing” to “being”. He contends that the baby boom generation may have a difficult time making the transition, but it is in the “being” stage where people can most effectively transfer their wisdom and their values. He repeatedly points that simply transferring the family money to a younger generation does not preserve the family, but human and intellectual capital do. Mr. Hughes encourages family stewards to nurture character, passion and a strong work ethic while planning for the succession of family assets. He is attentive in his approach to planning for a family legacy but in the end, he suggests our wealth should be measured internally, as well as externally.

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