

PlanningMatters



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What Will Your Legacy Be?

Developing a Generational Values Journal

When people are in the fortunate position to realize that they will never spend all of the financial assets they have accumulated, their thought patterns often change. Instead of focusing primarily on achieving financial security, thoughts turn to “opportunity and impact”. People in this position begin to fully realize that their wealth is not an “end point” but a “means to an end”. They begin to clearly understand that they have an opportunity to leave a “lasting legacy”.

But what does that mean?

Legacy is often defined as how you will be remembered when you are gone. Although this is a key component of a legacy, it doesn’t capture the whole picture. An equally important component is **“whom will you impact while you’re alive”?**

“Which specific life lessons and insights do you want to pass on to your children and grandchildren before you pass on your wealth?”

Brad Holt,
President, ClearVista Advisory

Your legacy is about more than just your financial success. It is not defined by a dollar figure. A meaningful and impactful Legacy is created when you successfully leverage three separate resources that you have. These include your time, your knowledge and your wealth.

Time has nothing to do with your net worth...it encompasses the time spent passing along your values or using your abilities to impact the world around you. Examples of this might include simply giving your time to causes that are important to you and involving your children or grandchildren in these endeavours.

Knowledge refers to insights, talents or unique abilities you possess, or have gained in your life, and how you can use these to leave a lasting impression. Directly passing on your life experience and talents might include coaching a sport or teaching your grandchild to fly fish, paint or cook. Some people simply make a point of taking the time to share stories of past successes, and failures, and what they learned along the way. Some families have started a new tradition... when the whole family gets together for a special dinner they make a point of ending the meal with some often humorous storytelling. They call it "Dessert Stories from Grandpa".

Passing on your **wealth** often relates to making financial contributions. Just as important though is the passing of



family heirlooms, especially if you can pass them to the next generation while you're alive and are able to attach the robust history and life's lessons that they represent. Some families take the time to write a letter that they attach to certain family heirlooms describing the hardship or success it represents and why it's important to the family.

Leaving a meaningful Legacy requires you to craft specific strategies, while you're alive, to leverage all three of these resources in a way that ensures that your values are witnessed by those that you want to positively impact.

It also involves a different thought process than what goes into a traditional Retirement Plan or Investment Policy Statement. It extends past the financial aspect and involves thinking that explores and defines what your values are related to your life, your wealth and ultimately your Legacy. **It means asking deep questions in a number of areas that help you clarify what is truly important to you at this stage of your life and why.**

Thought Provoking Questions Include:

Challenges & Opportunities

- Wealth often creates special opportunities. What opportunities of affluence are important to you? Some feel that the most important opportunity is simply having the freedom to make decisions in all aspects of their life. Others feel that having the ability to help others is most important.
- Wealth can also present challenges. What are the biggest challenges that wealth has brought into your life? Often, these challenges revolve around the impact that wealth has, or will have on one's children and grandchildren. How do you communicate your feelings in this area and what planning could help deal with these challenges?
- Do you feel a sense of obligation when it comes to the distribution of your wealth? To whom do you feel obligated and why?
- Two of the biggest challenges that wealth, and its distribution, often gives rise to are control and "how much is enough?". What are your thoughts regarding your willingness to give up ownership or control of assets now or at some point in the future? Some people are very uncomfortable with any strategy that interferes with their direct ownership while others may feel more comfortable relinquishing control of some assets while they are alive as long as they retain access to income.

Life's Lessons

- How did you accumulate your wealth? Has your wealth been derived from hard work, inheritance, successful investing or building a business? Do your heirs understand what it took for you to achieve significant wealth?
- What people and events played a role in your financial success and what lessons

and insights did you gain that you feel very strongly about? This might be a mentor or even a university professor. Ask yourself, why did this person have such a profound impact and how might I do the same for others?

- Which specific life lessons and insights do you want to pass on to your children and grandchildren before you pass on your wealth?
- What have you learned about investing at different stages of your life? In hindsight, what would you have done differently? What has been your greatest missed opportunity? What has been your greatest success? How do you pass on these insights to your heirs?

Impact

- If your Estate were distributed TODAY to your beneficiaries (excluding your spouse, if applicable), what is your best estimate of how it would be allocated among the following, (if you did no additional planning and your estate was settled as it exists today): Taxes, Children and Grandchildren, other heirs, and charities. Are you fully comfortable with your answer?
- If you could distribute your Estate any way you wanted, what would your ideal allocation look like? Would you want to leave as little to tax as possible or do you feel a societal obligation?
- What "message" do you want the transfer of your wealth to send to your Children?
- If you had \$1,000,000 of someone else's money, and had to distribute it today, who would you give it to and why?

Values

- What ethical values are of the greatest importance to you? Examples might be integrity, honesty, kindness, being a person of your word, etc...
- What financial values, such as material possessions, independence and social standing are of greatest importance to me?
- Are there certain work values, such as effort, time working, competence and achievement that are of greatest importance to me?
- What value do you place on education?
- What past experiences led to the formation of these values? How do you share these experiences in a way that leaves a positive impact?

Many families are finding value in taking the answers to these types of questions and creating a "Generational Values Journal" that can be passed down to future generations. In many cases, this thoughtful document can facilitate powerful, positive and meaningful discussions with heirs. It also helps individuals or families prioritize and direct their efforts while they are alive to ensure that their legacy is truly meaningful and its impact lasts as long as they desire.

"Which specific life lessons do you want to pass on to your children and grandchildren before you pass on your wealth?"

About the Author:

With 30 years of experience, Brad has built successful private planning firms and held numerous senior executive positions building Insurance Distribution and Estate Planning support within national Investment and Securities firms. His firm, ClearVista Advisory Inc. provides piece of mind and clarity through truly integrated planning to highly successful Individuals, Families and Business Owners. Using a unified process, and in collaboration with a tightly knit strategic network of Tax, Legal, and Accounting professionals,

Brad provides integrated planning expertise, process management and strategy implementation support. Brad's specific expertise lies in the areas of Insurance, Tax and Estate Planning, Legacy Planning and Business Succession.

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