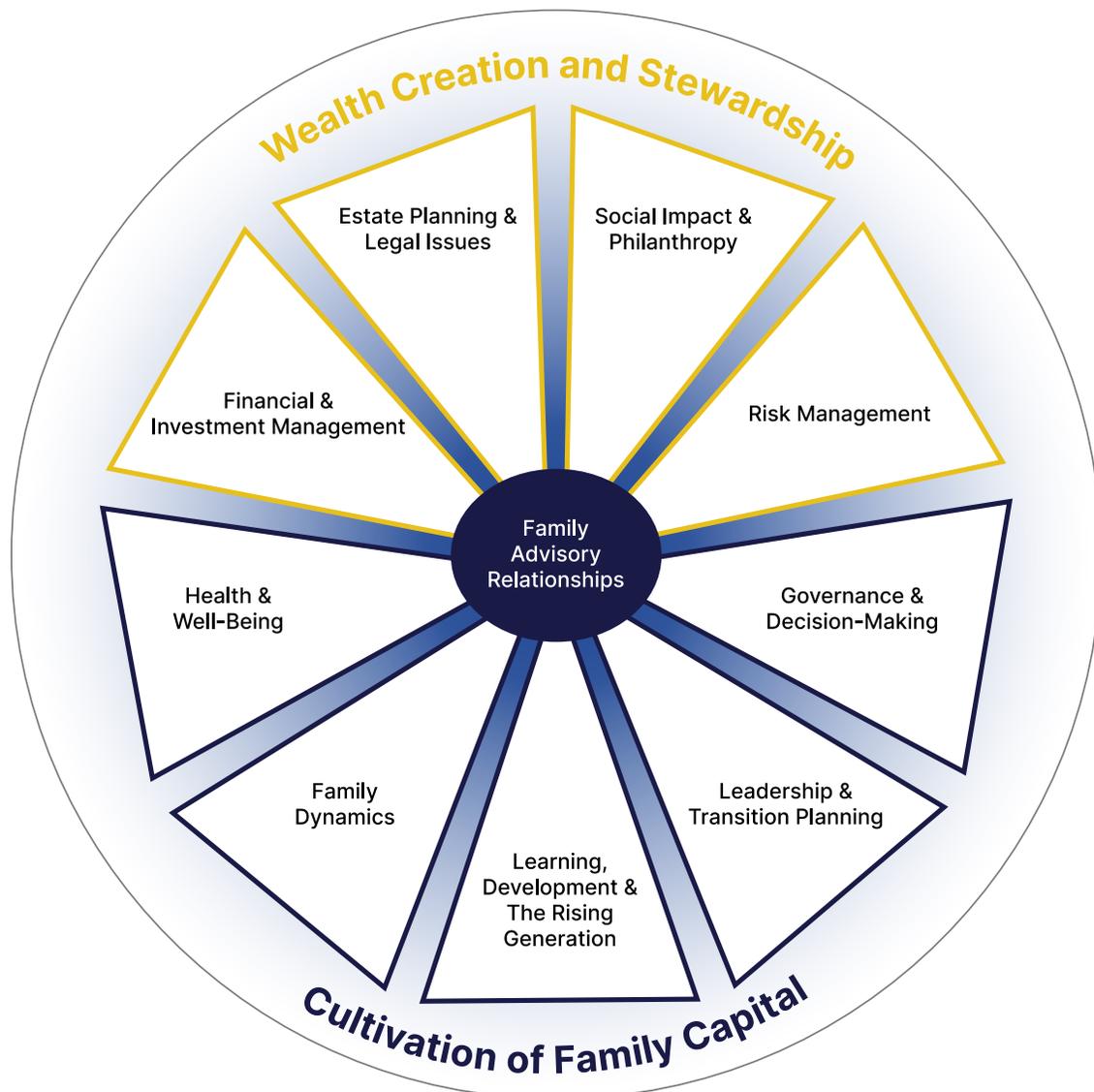


10 Domains of Family Wealth

Elements Needed for Financially Successful Families



A Comprehensive Framework

The Ten Domains of Family Wealth offers a comprehensive framework for understanding the issues facing ultra-high-net-worth (UHNW) families. The model highlights the full range of skills and services needed to help financially successful families prosper.¹

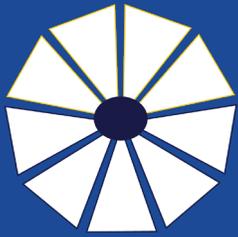
This handout provides a detailed look at each of the Ten Domains, listing the typical knowledge base and competency skills needed to provide client advice within each domain. The listing is not intended to be exhaustive. It is more representative of the types of knowledge and skills required for high-quality service within the domain.

The Institute recognizes that it is neither necessary nor likely that any single advisor will possess the entire range of knowledge and skills across all domains. Professionals typically enter the field through one or more of the content domains and gradually learn elements of the other areas. Clients should not expect their advisors to be fluent in all domains in order to offer quality services in advisors' areas of expertise. However, because of the integrated cross-disciplinary nature of UHNW services, advisors can reasonably be expected to be conversant about most of the Ten Domains. The one area that all advisors need to be expert about is in Family-Advisory Relationships.

For further information about the Ten Domains of Family Wealth, please contact the UHNW Institute via info@uhnwinstitute.org.

¹ The UHNW Institute acknowledges that, in some advisory relationships, there is an individual or primary client, as defined by the client, rather than a family. In those cases, references here to "the family" would apply to the individual client working with his or her advisors in a comprehensive manner.





Family-Advisory Relationships

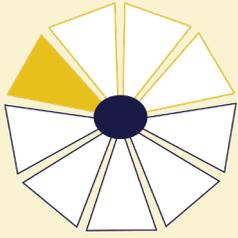
The Advisory Relationship Skills Supporting All Services

Knowledge Base

- Knowledge of the central role of advisors in understanding the personal aspects of clients' lives and in appropriately facilitating adjustment to wealth and legacy, i.e., emotional intelligence in the advising relationship
- Understanding of collaborative approaches to UHNW advising
- Basic awareness of family systems thinking and approaches relevant to advising
- Awareness of ethical, business, and professional issues when dealing with the complexity of family systems consultations
- Understanding of client-centered prospecting/search processes whereby families determine their service needs and evaluate firms for services
- Knowledge of relevant cross-cultural elements and issues that may occur within the advisor's client base

Skills

- ✓ Skills for establishing rapport, managing personal / difficult conversations, effective interviewing, and managing emotional issues during the normal course of client consultations
- ✓ Ability to utilize good communication skills for effective client-relationship management and development
- ✓ Skills for working with individuals and multiple members within a family system across family branches and generations, within individual meetings and for facilitation of family meetings
- ✓ Ability to build, maintain, and repair trust in the client relationship
- ✓ Ability to manage and resolve conflicts that may arise between clients and advisors
- ✓ Ability to act collaboratively with clients' other advisors
- ✓ Ability to exercise good decision-making when faced with professional, business, and ethical procedures when working with clients and collaborating with clients' other advisors
- ✓ Awareness of and ability to minimize biases or personal reactions when dealing with wealthy families
- ✓ Ability to work with cross-cultural clients using culturally normative behaviors and perspectives, and/or to seek consultation when cross-cultural situations arise



Financial & Investment Management

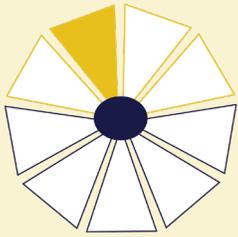
Wealth Creation and Stewardship

Knowledge Base

- Fundamentals of financial planning, integrated wealth management, and family office structures and processes, depending on client base and client wealth level
- UHNW investment principles, policies, and procedures including the use of investment policy statements and integration of IPSs by multiple family members in client families
- Understanding of goals-based financial planning with integration of personal and family goals
- Knowledge of balance sheets, accounting, and income statements
- Management of family wealth complexity regarding generational stewardship, legacy planning, and wealth sustainability
- Knowledge of financial aspects of entrepreneurship, business creation, enterprise management, and liquidity events for family businesses
- Taxation responsibilities, risks, mechanisms, strategies, and jurisdictional issues in individual and family financial planning and management
- Knowledge of fiduciary roles, responsibilities, compliance requirements, and investment constraints
- Integration of financial, insurance, taxation, legal, and risk elements in managing wealth complexity
- Behavioral finance principles and the impact on investment performance, benchmarking, and goal planning
- Financial technology and data management
- Pricing and business models for integrated wealth management

Skills

- ✓ Ability to design, implement, monitor, and adjust investment plans for UHNW clients using current approaches and methodologies
- ✓ Ability to design and implement financial plans as a fiduciary for the family
- ✓ Ability to help families develop short and long-term strategies for integrated wealth management
- ✓ Ability to monitor and adjust long-term wealth management as goals or purposes change over time
- ✓ Ability to advise family business owners on financial matters to develop, support, sustain, and transfer the business and its financial capital
- ✓ Ability to interview clients skillfully to elicit relevant wealth advisory issues during consultations
- ✓ Ability to explain financial and taxation concepts and processes using language matched to clients' vocabulary and understanding of finance
- ✓ Ability to assess, explain, and engage clients around behavioral finance concepts and actions to fulfill investment performance goals and objectives
- ✓ Ability to manage perceived or real conflicts of interest during the course of wealth management
- ✓ Ability to detect, understand, and propose solutions for patterns of overspending and/or excessive financial support across generations



Estate Planning & Legal Issues

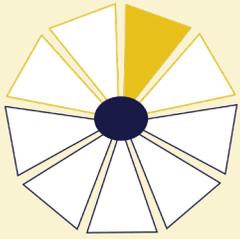
Wealth Creation and Stewardship

Knowledge Base

- Estate planning and trusts – general nature of estate planning; legal aspects of wealth transfer; use of trusts, partnerships, and other legal entities in wealth planning
- Rights of ownership and control in estate planning, trusts, and ownership, and what each role entails
- Knowledge of integrated “purposeful planning” compared to traditional estate planning
- Beneficiary/trustee roles and relationships, including trustee roles in different settings (e.g., corporate vs. independent trustees)
- Differences between ownership and stewardship as related to trusts
- Knowledge of current taxation issues, methodologies, and strategies for estate planning and wealth transfer for individuals, families, and trusts
- The use of directed trust structures and private trust companies in managing family wealth complexity
- Family law related to wealth – prenups, cohabitation /marital agreements, divorce processes, etc.
- Family legal issues in different jurisdictions and legal systems (common vs civil law, etc.), if applicable
- Family business law – role of attorneys, shareholder legal issues, etc.
- Litigation stress and issues for families of wealth/family enterprises
- Legal aspects of philanthropy, foundations, and foundation boards
- Management of capacity and incapacity issues impacting family functioning and wealth advising

Skills

- ✓ Ability to lead productive discussions for individuals, couples, and families around estate planning and other legal issues
- ✓ Effective coordination and collaboration with attorneys, accountants, trustees, insurance agents/brokers and other advisors involved with estate planning and risk management
- ✓ Ability to help families determine how estate planning strategies should be implemented
- ✓ Ability to foster beneficiary education and personal adjustment and/or to involve consultants, as needed
- ✓ Sensitivity to clients’ personal and family dynamics when discussing estate planning or family law dilemmas (fair vs. equal, prenup conversations, etc.)
- ✓ Ability to explain legal and estate planning issues in understandable terms to clients to aid in decision-making
- ✓ Ability to hold discussions with clients and have good internal organizational procedures for anticipating and implementing risk management procedures for potential or actual mental incapacity
- ✓ Ability to discuss with multigenerational families the current or potential incapacity issues related to increasing longevity



Social Impact & Philanthropy

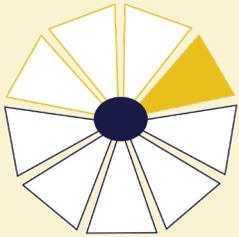
Wealth Creation and Stewardship

Knowledge Base

- Knowledge of values-based investing and philanthropic activities directed at social impact and community well-being
- Knowledge of personal and family vehicles, structures, and processes for enhancing community well-being and creating social impact via philanthropy and related activities, including family foundations, foundation board functioning, donor advised funds, and governance activities in other philanthropic vehicles
- Knowledge of rationales, metrics, and opportunities for impact and values-based investing
- Knowledge of sustainability and social responsibility guidelines, practices, and programs, including metrics

Skills

- ✓ Ability to facilitate discussions with individuals and families around values, risk tolerance on charitable investments, passions, interests, and definition of impact
- ✓ Ability to help define impact goals and articulate or guide development of strategies to achieve the goals
- ✓ Knowledge of and ability to discuss charitable vehicle options and what would best fit the individual or family
- ✓ Ability to help facilitate or ensure that implementation of strategies is professionally supported
- ✓ Ability to help foster and lead discussions at all levels of the family



Risk Management

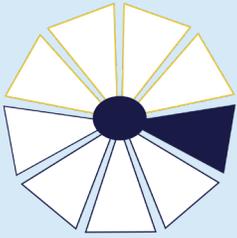
Wealth Creation and Stewardship

Knowledge Base

- Understanding the complexities of risk management for UHNW individuals, couples, and families
- Risk profiling of individuals, families, and generational wealth
- Differences and overlap between risk management planning and insurance planning, including the uses of insurance and other risk management strategies in estate planning and financial planning
- Risk management responsibilities in the decision-making roles of family offices, boards, directors, and officers compared to family fiduciary roles of trustees or private trust companies
- Risks attributable to ownership entities and organizational risk mapping
- Global/political/country security risks to families and their assets
- Digital/cyber/technological security risks including threat recognition, management, and prevention
- Staffing/personnel, property, and tangible asset risks and their prevention and management

Skills

- ✓ Ability to interview and discuss with clients the factors that guide risk assessment and preparedness, using language appropriate to their level of understanding
- ✓ Ability to assess risks posed by family situations and proposed estate planning strategies and to design appropriate insurance and risk management strategies
- ✓ Ability to help families develop an integrated, holistic approach to understanding and managing their various risks
- ✓ Ability to work with families on managing their digital and cybersecurity risks and devices, including development of social media and cybersecurity policies and procedures
- ✓ Ability to collaborate with other advisors and staff regarding property and tangible asset risk management



Governance & Decision Making

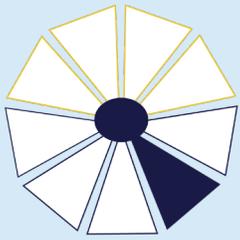
Cultivation of Family Capital

Knowledge Base

- Patterns and models of communication, decision-making, conflict management, and negotiation in families of wealth and family enterprises
- Fundamentals of the Three Circle Model and the interrelationships of Business, Ownership, and Family
- Ownership and shareholder roles, responsibilities, and agreements, including ownership transfer, holding shares in trust, etc.
- Family enterprise boards, family councils, operating business functioning, corporate management, and other family enterprise governance structures, processes, and procedures
- Family charters and constitutions, including their development and implementation in relevant jurisdictions and cultures
- Knowledge of relevant legal, financial, and risk elements that impact the design, development, and implementation of family governance
- Common policy issues in family enterprise governance, e.g., compensation policy, family participation policy, dividend policy, etc.

Skills

- ✓ Ability to identify current patterns of governance and/or decision-making within families and to help design and implement appropriate enhancements to facilitate family functioning
- ✓ Ability to assess, explain, and facilitate effective procedures for enhancing or repairing communication, decision-making, negotiation, and conflict management
- ✓ Ability to explain to client families the relevant issues and challenges in resolving problems or enhancing functioning
- ✓ Ability to use effective interview techniques to draw out and assess business/family business fact patterns when working with a client/family
- ✓ Ability to assist with policy and governance development as part of consultations
- ✓ Ability to collaborate with and involve experts in governance, negotiation, and communication for complex or difficult family decision-making situations
- ✓ Ability to help create learning family systems and procedures as part of family governance



Leadership & Transition Planning

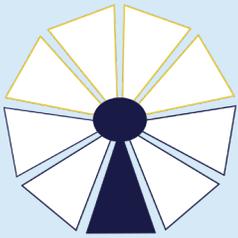
Cultivation of Family Capital

Knowledge Base

- Knowledge of leadership roles, requirements, and responsibilities in enterprise governance and business operations within family and nonfamily enterprises
- Knowledge of leadership roles, requirements, and responsibilities for family governance
- Core elements, strategies, and processes needed for leadership development and for succession/transition planning in leadership positions
- Understanding of lifespan issues for different generations in family wealth/family business, including finding purpose at different life stages
- Knowledge of personal, organizational, and family aspects in transitions in leadership and family enterprise management

Skills

- ✓ Ability to utilize appropriate principles and procedures to assist succession/ transition planning within family and/ or family enterprise governance
- ✓ Ability to assess and implement leadership and executive development using appropriate assessments and procedures, and/or to utilize expert consultants for these purposes
- ✓ Ability to develop programs to define, assess, and foster leadership competencies in Rising Generation members proposed for leadership positions
- ✓ Ability to hold challenging conversations with family members that facilitate transitions and permit engagement of others in leadership positions and roles



Learning, Development, & the Rising Generation

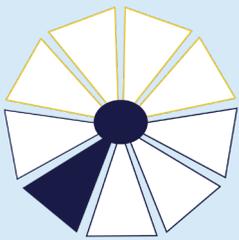
Cultivation of Family Capital

Knowledge Base

- Knowledge of literature, research, and perspectives on Rising Generation growth, issues, and education/development
- Understanding of development of skills, values, attitudes and behaviors regarding money and wealth in children, young adults, and adults
- Knowledge of financial literacy training and education, including education about the financial services / wealth management industry and service delivery, for all family constituents (children, spouses/partners, family members, blended/stepfamily members)
- Knowledge of programs and procedures for educating families and Rising Generation members about ownership, stewardship, innovation, enterprise management, and entrepreneurship

Skills

- ✓ Ability to assist with lifespan development for psychological and skills issues for all family members, especially Rising Generation members
- ✓ Ability to set up information-sharing and transparency of information about family enterprise and wealth across generations
- ✓ Ability to implement or involve consultants for assessment and delivery of career counseling, academic counseling, and personal assessment for Rising Generations and other family members, as needed
- ✓ Assistance with financial literacy development or knowledge of resources for referral
- ✓ Ability to facilitate creation of learning family processes, committees, and positions within family systems



Family Dynamics

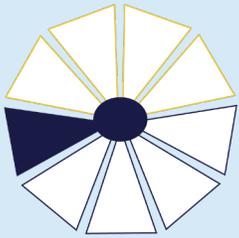
Cultivation of Family Capital

Knowledge Base

- Knowledge of general patterns of adjustment and adaptation for individuals, couples, and families regarding money and wealth
- Knowledge of typical patterns of adjustment experienced during life transitions and/or major financial or family enterprise transitions, e.g., liquidity events
- Basic concepts of inter-generational transmission of roles, culture, emotional patterns, and family hierarchy
- Understanding of family systems with emphasis on impact/role of money and wealth plus factors impacting family cohesion
- Impact on adjustment and family adaptation of different generations of wealth, gender, blended families, nontraditional family status, and related factors
- Fundamental knowledge of ethnic, geographic, spiritual, religious, and other cultural similarities and differences affecting family dynamics within one's client base

Skills

- ✓ Ability to assess and assist individuals, couples, and/or families regarding money and wealth issues, depending on role
- ✓ Ability to hold conversations about and assist families with spiritual, religious, and/or values-based factors that impact family cohesion, wealth planning, and other service activities
- ✓ Basic ability to draft a genogram (graphical family tree) showing key relationships, including discussion with family, if needed
- ✓ Ability to collaborate skillfully with clients' other advisors in service of keeping the clients' interests central
- ✓ Ability to design and facilitate effective family meetings
- ✓ Ability to work effectively with clients experiencing transitions either in their personal lives or in the family wealth/family enterprise
- ✓ Ability to understand and help clients dealing with stereotyped attitudes about the wealthy and other wealth adjustment issues
- ✓ Ability to adapt consultation activities to accommodate cultural or cross-cultural factors



Health & Well-being

Cultivation of Family Capital

Knowledge Base

- Understanding of common health factors relevant to money/wealth issues, governance, trusts, leadership, and family functioning, e.g., dementia, substance abuse, learning styles/disorders, etc.
- Understanding of the impact of disability, end-of-life care and issues, and bereavement/grief issues on personal and/or family functioning and how these manifest in advisory relationships
- Awareness of demographic and longevity health trends impacting personal and family functioning
- Awareness of mind-body well-being and enhanced family health functioning for growth and development

Skills

- ✓ Skills for assessing and assisting with management of health and disability issues and/or knowledge about referral to appropriate care management or social service resources
- ✓ Ability to interface with legal, financial, trust, and healthcare personnel to arrange for care, manage risk in the family/enterprise, and coordinate planning and decision-making in situations where health issues impact personal or family functioning
- ✓ Understanding of confidentiality and privacy matters when interfacing with legal, financial, and healthcare systems, with use of appropriate disclosure and information-sharing procedures
- ✓ Facilitation of health and wellness activities for fostering human capital in families

Looking to the Future

The UHNW Institute was founded in response to the lack of clarity, transparency, and unbiased education in the marketplace.

Many families and even advisors have been unsure about what comprehensive UHNW services should entail and which skills and disciplines are required to provide them. With the Ten Domains of Family Wealth, the Institute has built a modern roadmap to the UHNW landscape for three broad stakeholders in wealth management:

- so that families can better understand what they need and what questions to ask of their advisors
- so that advisors can know what may be expected of them, to pursue excellence in their competencies, and to fill in any gaps in skills relevant to the domain(s) in which they specialize
- so that educational and other training programs can design top-notch curricula targeting the domains needed within the industry

With this roadmap in place, professionals can fulfill the promise of comprehensive, integrated family wealth services for the benefit of those achieving significant wealth across generations.

For further information about the Ten Domains of Family Wealth model, please visit www.uhnwinstitute.org/

