

RAISING STEWARDS, NOT JUST BENEFICIARIES

How to Prepare the Next Generation for Wealth

As a financial planner working with high-net-worth families, I often hear the same underlying concern from clients: How do I make sure my kids don't squander the wealth we've built? Right behind that, I often sense another hesitation—When is the right time to start preparing them? Many parents wait, assuming these conversations should begin when their children are older, more mature, or “ready”. The desire to protect their innocence or carefree bliss can be noble, but waiting often means missing the most teachable moments. The truth is, you don't have to wait until your kids are adults to start preparing them. True legacy isn't just about transferring assets once they can balance a checkbook; it's about transferring values, knowledge, and a sense of responsibility—and those lessons are best learned early, with real-life context. I know from my experience, the lessons learned early on, didn't weigh me down or cause concern, but looking back, I can see the impacts it has had on my life.



Teach them how to fish, don't give them a fish.

My Education

I learned this firsthand. My father, who started Payne Financial Strategies, Inc. and several other ventures, didn't just hand down a business—but he has handed down an education. From an early age, he brought me into his business world. I sat in meetings with his advisors, contractors, Renters and employees—not as a bystander, but as a student. This may have been as simple as meeting with the plumber working on a rental house, signing a lease or collecting rent from a renter, or even calling a colleague at the office. It was a real-world education that shaped my understanding of money, business, and responsibility in a way textbooks never could.

Be a “Rich Dad”

Robert Kiyosaki describes something similar in *Rich Dad Poor Dad*—how his “rich dad” taught him valuable lessons through real involvement and business dealings. I lived a version of that same story.

And now, in my work with families, I encourage clients to take similar steps: include your children in your financial life—not just the benefits of wealth, but the mechanics and meaning behind it. This doesn't mean showing them your mobile banking app, credit card balance, or 401k statement, but rather the discussions, decisions, and planning that goes on. Normalize bringing your kids into meetings with professionals—CPAs, financial advisors, attorneys, bankers, contractors—so they can learn how everyday decisions are made and see what it looks like to seek out trusted advice. Then debrief it after the fact.

The Gift of Guided Struggle

Over time, you can increase the level of involvement and sophistication of the lessons. One of the most valuable lessons my father ever gave my siblings, and I came when we left for college. Instead of paying for apartment, he let us live in one of his rental properties—but with a catch. We had to solicit roommates, collect rent, pay bills, coordinate maintenance, and keep the property fully occupied. If we fell short, we had to make up the difference out of pocket. It would have been easier for him to let us live rent-free and responsibility free but, instead, he gave us the gift of managed risk, of a trial run. We learned budgeting, negotiation, time management, and the pressure of real financial accountability not to mention the intrapersonal that are developed from collecting rent from five other broke college kids living at the house. That experience was priceless.

It's easy, especially with the resources many of our clients have, to remove every obstacle from their children's path. But obstacles—when introduced thoughtfully—are where the best lessons live. Your children don't need to be thrown into the deep end, but they do need chances to wade into the water with your guidance.

Family Financial Planning Meetings

One powerful way to do this is by including them in family financial planning discussions as they reach their preteen years. That doesn't mean disclosing every detail of your balance sheet, but it does mean treating them as future stakeholders. Let's talk to them about budgeting, goal setting, taxes, and investments from a basic, philosophical perspective.

Ask them to share their dreams and teach them how to back those dreams with financial discipline. Invite them into age-appropriate conversations so they can see how money works in the real world—and how it connects to values and impact. They will naturally see what decisions you make but it is up to you to explain how and why you made that decision. We are to help guide you along this path as you begin educating them. It is well worth it.

Private Family Foundations

Another approach popular among legacy minded families is the use of a private family foundation or a structured charitable giving plan. A foundation is not only a powerful legacy tool—it's an incredible classroom. It doesn't have to have millions in it to teach lessons and make an impact in your community. It allows children to engage with a slice of the family's financial picture while making real decisions with real consequences.

Each child can be given an allocation of the foundation's charitable budget to direct toward causes they care about. This helps them think critically about priorities, sustainability, and impact.

Maybe one child is passionate about animal welfare, another about education, another about food insecurity. That's okay. Actually, that is amazing. What matters is that they are learning how to use capital as a tool to create good in the world and explore their passions. They are practicing collaboration and long-term thinking as well as interacting with the family's advisors and other organization's representatives. And perhaps most importantly, they are learning that wealth is not an idol—it's a responsibility.

Not every heir will want to join the family veterinary clinic, the family farm, or the financial advisory practice. But every heir can be given a meaningful role in preserving and growing the family's values and impact in the foundation. In many cases, the most successful families are the ones that prepare the next generation long before the first dollar is inherited and despite what direction their interest and passions may lead them.

Getting Started

The most important financial conversations you have with your children may not be about *how much* they'll inherit—but *why* it matters, *what* it's for, and *how* they can carry it forward with purpose. Start including them in conversations, let them sit in on that call or meeting and interact with them. The sooner you start including them the more confident, thoughtful and grateful they will be to successfully steward the family's legacy.

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Family Financial Planning Meetings

What is a family financial planning meeting?

A meeting for the family to focus on education, bonding, and family, business, and financial updates. We facilitate these meetings January-March each year. The recommended meeting time is 4 hours, and the location is preferably offsite of any family-owned property.

Here is a sample outline:

- Meeting Agenda
- Preparation and Distribution of a Confidentiality Statement
- Creation or Review of a Mission Statement
- Creation or Review of Family Business and Wealth Reports
- Overview of a Financial

Education Topic:

Protection Planning, Retirement Planning, Investment Planning, Education Planning, Estate Planning, Business Planning, and Debt Planning

- Philanthropic Goals for the Year