



WHY HIGH-NET-WORTH FAMILIES

Whittier Trust

Need More Than Just a Bookkeeper

FORBES BRAND VOICE 2020

1. The Multifunctional Family Office
2. Personalized Services
3. Preserving Wealth Through a Holistic Approach

Whether it helps clients navigate a career change, mitigate family quarrels or negotiate a lease for a new business, a family office does far more than just pay the bills.

While most financial institutions provide expertise around money matters, few can provide the completely personal services of a family office—much less help someone with a longing for a llama.

“We ask our clients what they’re passionate about, and one woman told us that since she was 9 years old, she wanted to own a llama,” said Tim McCarthy, managing director of business development for the South Pasadena office of Whittier Trust.

After more than a year of research, McCarthy and other experts at Whittier, a wealth management and investment firm, determined there were a few cities where it would be legal to own a llama, which is identified as an exotic animal.

“I relayed to our client that if she really wanted a llama, she would need to move to a city that permitted them. My client told me she was willing to move, so we helped her buy a house and sell her previous house,” said McCarthy. “The day of the closing I called to let her know she could get her llama, and she told me three were being delivered that day.”

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“Our work always starts with the money and ends with the family,” said McCarthy.

1. The Multifunctional Family Office

There’s no universal description of what a family office does, said McCarthy, in part because the services vary by client. Bookkeeping, bill paying and ancillary financial services are commonly thought of as family office services, but McCarthy said his office, which serves as a “multifamily office, provides a much more robust and comprehensive function.”

They have experts in all financial matters including trusts, investments, insurance, real estate and philanthropy. If they lack expertise in anything, they will track down the appropriate source of information for their clients.

“We take a holistic approach to your entire life,” said McCarthy. “We look at your financial balance sheet, your assets and your liabilities, but we get more involved with your life balance sheet. We talk about priceless things that matter to you—like your spouse, your kids, your grandkids, educating your kids and grandkids, your reputation and your health.”

A true family office, said McCarthy, is skilled at the nuances of protecting and building on those life balance sheet assets.

Those with \$10 million or more in investable assets probably have accounting and investing services in place but often experience only cookie-cutter solutions. A family office, meanwhile, “provides you a blank sheet of paper to decide where you want to go,” he added. “We spend our time focused on your plan, the way you want it. Part of that effort is perpetuating your culture and values on to future generations, and part of it is mitigating the unintended consequences of life that all of us experience at one point or another.”

Those goals can include things like legacy planning or teaching your kids to be good stewards of wealth.

2. Personalized Services

The history of Whittier Trust and its experience with more than 440 high-net-worth families informs the advisors as they deliver customized services.

“We know how to reduce the unintended consequences of wealth,” said McCarthy. “We’ve heard our families say, ‘We don’t want wealth to tear the family apart.’”

Because advisors become very familiar with the families they serve, they can be proactive as well as reactive when a family member needs help with almost anything. For example, Whittier can establish a family governance plan to avoid future potential issues with in-laws as the children become adults. Advisors have helped the adult children of their clients choose a health insurance policy, evaluate real estate and even handle the aftermath of a car accident.

While multigenerational families are among its clients, Whittier also works with individuals and couples to handle the day-to-day minutia of owning real estate or any task they prefer to outsource.



“If something is keeping you up at night, we’re the first call you should make, even if it’s not a financial issue,” said McCarthy. “The majority of our business is not financial. If your kids don’t get along or your grandkids are struggling to reach potential, we have experience with a broad range of client types.”

While most clients start working with Whittier for investment management, most utilize other services within 60 months or less, according to McCarthy.

Advisors, for instance, can look at the numbers to help someone decide if they should lease or buy a car, give them advice on business succession or discuss family governance.

While building a legacy can be exciting and exhilarating, a family office to manage and preserve that money for family and for philanthropic purposes can be an invaluable source of support that goes way beyond bookkeeping.

Written in partnership with Forbes Brand Voice.

3. Preserving Wealth Through a Holistic Approach

The holistic approach that family offices take helps clients not only build wealth—but also identify ways to spend less or generate income that contributes to the family’s success. A family office like Whittier, which doesn’t sell investment products or insurance, can do a comprehensive study of their clients’ policies, portfolios and assets to make recommendations that are in their clients’ best interest.

One family, for example, was able to reduce their spending on insurance while increasing their benefits, said McCarthy. Others improve their real estate holdings with the help of experts who can renegotiate leases and recommend which properties to sell and buy. The company’s tax experts can help families manage their portfolios to reduce their tax liability.

WHITTIER TRUST COMPANY

South Pasadena 1600 Huntington Dr., South Pasadena, CA 91030 | 626.441.5111
Newport Beach 4695 MacArthur Ct., Ste 1500, Newport Beach, CA 92660 | 949.216.2200
San Francisco 505 Montgomery St., Ste 1200, San Francisco, CA 94111 | 415.283.1850

THE WHITTIER TRUST COMPANY OF NEVADA, INC.

Reno 100 W. Liberty St., Ste 890, Reno, NV 89501 | 775.686.5400
Seattle 520 Pike St., Ste 1415, Seattle, WA 98101 | 206.332.0836
Portland 111 S.W. Fifth Ave., Ste 3150, Portland, OR 97204 | 503.444.3428

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