



1. Financial Freedom and Time Management
2. Support for Business and Philanthropy
3. Manager of Managers
4. Services for Multiple Generations

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A common misconception is that people with significant wealth spend their time as they please. But high-net-worth families rarely have as much free time as people believe. Whether they're running a business, overseeing an investment portfolio or managing several households, life can be complex and busy. A family office, unlike a traditional financial advisor, can take a holistic approach to their financial and personal life. The result: more time to spend with family or commit to philanthropic interests. In short, they gain more personal time.

"Many people think a family office is like a trust department of a bank, but a family office provides much more than investment management or trust services," said Lisa Edwards, a senior vice president and client advisor in the South Pasadena, California office of Whittier Trust. "A family office functions like a financial concierge and can do as little or as much as our clients want."

At Whittier, each advisor has a maximum of 20 client relationships, said Edwards. That allows each family to receive the customized service and attention they prefer. While each has investable assets in excess of \$10 million, no two clients are alike.

Creating significant wealth requires a lot of work, said Edwards, but staying wealthy takes lots of work, too. A family office can lighten that workload.

1. Financial Freedom and Time Management

Each of Edwards' clients has a different approach to what they want the family office to provide. In one case, a patriarch who generated wealth for his children and grandchildren has a quarterly meeting with Edwards and a team of advisors to review all aspects of his investments and legacy planning.

"He has a strong philosophy about his finances and his legacy," she said. "We provide him with a comprehensive notebook that he keeps for his

own reference, but we take the day-to-day burden off him so he can do what he wants with his time.”

In this case, he is deeply involved with youth programs that he founded and has spent more time with family.

“One client texts us a couple of times a month to bounce investment ideas off of us,” said Edwards. “We’re ready to respond in a holistic way because we know his goals and his other investments, his risk tolerance and his lifestyle.”

How much help clients want often changes as the relationship grows. The family office can handle an array of services, including bill paying, asset management, estate and tax planning and philanthropic activities. As clients grow more comfortable with the firm, they often seek out additional services.

“There’s usually one point of entry, such as someone comes to us and says, ‘We want to start a foundation’—or they have a \$20 million investment and they want us to take over just that investment account while they manage the rest,” said Edwards.

2. Support for Business and Philanthropy

A family office can provide succession planning help or establish a philanthropic foundation.

For example, one of Edwards’ clients with a successful closely-held business decided to avoid potential family conflict by developing a succession plan with the current company’s executive team.

“We serve on the board so we know the company intimately and we can help reinforce the management team, which doesn’t include family members,” said Edwards.

In other cases, family members may be part of the business’s succession plan. Either way, the family office’s intimate knowledge of the business and people involved allows advisors to coach and prepare everyone for the future.



For another client, the matriarch wanted to take the reins of the family foundation. Edwards and her team of advisors established the nuts-and-bolts of the foundation and provided coaching in foundation management and leadership for all the family members on the board of the organization. “We took them from ‘deer in the headlights’ to a cohesive, well-informed team of advisors, one of my proudest accomplishments.”

3. Manager of Managers

Whittier Trust advisors and their clients have access to an extensive network of experts in investing, real estate, insurance and estate planning. In addition, many of their clients have assets managed or custodied with other companies.

“Our role may be to be the manager of their managers,” said Edwards. “If we put all the information together from a grand scale, we can prevent a family from having too many of your assets allocated in one single

industry or even a single stock. We can look at asset diversification across all their managers to ensure it ties to the family's investment objectives."

Based on this information, the firm creates holistic reports that blend accounts from different managers. Most people are hesitant at first to turn over their whole financial world to one company, which is why it can take years for the relationship to develop. The neutrality of Whittier helps build trust.

4. Services for Multiple Generations

Sustaining wealth through multiple generations is a primary goal for high-net-worth families, and one that a family office can support.

"A huge benefit for families is the consistency and seamlessness we provide to preserve wealth for the next generation," said Edwards.

"Financial literacy is provided individually to prepare heirs to handle their wealth and at family meetings to generate dialogue between older and younger generations, particularly to explain the parents' philosophy to the next generation," said Edwards.

"We strive to find a different, perhaps younger client advisor in the firm to work with the younger generation, so they have their own advocate and can

establish their own relationship," she said. "That way, the person has their own identity and confidentiality, but the advisors can work cohesively so there aren't conflicting messages or something that would be adverse to the portfolio."

For example, the son of one of Edwards' clients is interested in real estate.

"He sent us a deal that he's looking at, and we took it to our real estate department to vet it," said Edwards. "We were able to tell him what we see that's good and bad about the deal to talk him through that, as opposed to just handing him a check." He is also learning about debt financing and structuring the ownership entity for maximum tax-efficiency and liability protection.

The freedom that comes with a family office allows her clients to focus on other pursuits, worry free. "I guess you might say we give them the confidence to have peace of mind," said Edwards.

Written in partnership with Forbes Brand Voice.

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