

Aging and Longevity: A Discussion Guide for Families

People are living longer than ever before. The trend is especially pronounced in affluent individuals with access to top notch medical care and better living conditions. This increased longevity is a blessing for family leaders eager to live longer and spend more time with their family. Yet it presents challenges too as it upends traditional succession timelines and financial planning strategies.

Many see this increased longevity as primarily a financial challenge and focus on maintaining assets into later stages of life. But as with most issues involving multi-generational wealth, there are other critical dimensions successful families cannot overlook. Many of these involve deeply personal mindsets and decisions rooted in decades of relationships and family history. Pitcairn has identified four spheres warranting careful consideration and family discussion when it comes to planning for longevity and ensuring sustained family success.

- **Financial**
- **Legal**
- **Health care**
- **Family**

Facilitating a discussion on longevity and aging

Effective family succession planning requires open, honest, ongoing dialogue. While many families spend time talking about what should happen when a loved one passes away, less time is spent discussing the challenges that will arise as they age. These issues are just as important and may ultimately require more time and attention. That's because the needs, desires, and capabilities for aging family leaders will be much different when he or she is in their 50s compared to someone in his or her 80s.

These conversations should almost run like a stress test for longevity. What would happen if a family member were to live to 100 and how would that impact financial, health care, legal, and family issues? Families should consider



scenarios based on specific timelines. Over time, the focus and framework of these family discussions must change to meet the shifting challenges a particular family faces.

Family leaders are usually best suited to convene and oversee these discussions. They are the individuals who will be dealing with aging firsthand and should set the tone and expectations for what the family will accomplish during interactions.

How Pitcairn can help

Since 1923, Pitcairn has worked with families to help maintain wealth momentum and ensure successful transfers of wealth and ideals from one generation to the next. As our company looks forward to celebrating our own centennial, we are more committed than ever to helping families celebrate longevity. We believe facilitating discussions and guiding difficult conversations are powerful tools to address both family and financial dynamics that can impact a family's legacy.

Pitcairn developed this discussion guide to help families bring the challenges and opportunities surrounding longevity out into the open, to drive meaningful conversations, and to create lasting solutions.

Here are a few best practices for talking about longevity issues and working toward solutions that meet the needs of the whole family.

- **Find a structure that works.** Some families may choose to hold a specific meeting to talk about aging and the issues that come with living a longer life. Other families prefer to cover these issues during less structured interactions at regular family gatherings or holidays. Whatever format your family chooses, make sure the necessary discussions are in fact taking place and everyone is on the same page following the conversation.
- **Revisit plans regularly.** Managing longevity and the aging process is not a set-it-and-forget-it exercise. Changes in lifestyle, health, and mental capacity can change rapidly and unexpectedly. It's critical to not let plans sit for too long without making sure they are still relevant and applicable.
- **Make sure all affected family members are present.** No family members from any generation should feel like decisions are being made without them or that any individual has more input or access to family leaders.
- **Document the meeting.** If you have a discussion, consider putting in writing what was covered and decided. It is not uncommon for family members to hear different messages.
- **Know when to rely on a trusted advisor or expert.** It's crucial to have the right support for the discussion you intend to have. That includes considering the age of various advisors and what generations should be represented. Updates to a will or other legal documents should be done with a lawyer present. Shifts in investment policy or a particularly heated conversation should take place with a trusted financial advisor.



Tips for family leaders

- **Be proactive.** Don't wait until complications stemming from issues like competency, inheritances, and spending create additional tensions. Bring up topics involving longevity early and engage in follow-up discussions whenever necessary.
- **Know what's negotiable.** It's important every family member feels that his or her voice is heard, though family leaders ultimately have final say over many aspects of how they would like to spend their later years. Make it clear to family members which aspects of any agreement are up for discussion and which are final.
- **Do your homework.** Aging and longevity are evolving issues. As life expectancies increase, new considerations must be taken into account. Family leaders must be sure they're current on the latest best practices in preparing for transition of a business, retirement, and legacy planning. Root family interactions in that understanding.
- **Be flexible.** Changes in longevity and family dynamics are bound to occur. Creating a flexible framework for shifting expectations around issues like health care, taxes, and family relationships is crucial.

Tips for family members

- **Pick priorities up front.** Prior to family-wide discussions, individual couples and immediate families should have a conversation about the issues that are most important to them, as well as what they're willing to do (and not willing to do) as family leaders age and situations change.
- **Abandon preconceived notions.** No family is without conflicts, cliques, and contentions. Family members should try their best to minimize past disputes when talking about the future of the family. Take fellow family members at face value and work to be part of a productive solution going forward.
- **Focus on the outcome.** The ultimate goal of these discussions is to make sure everyone's wishes are heard and respected and that the family can maximize its legacy for future generations. Stay focused on these goals if discussions get heated.

Questions for Discussion

Financial

- How are business and family expenses and earnings differentiated?
- How will business and family expenses shift as family leaders approach retirement and end-of-life planning?
- How are family leaders shifting their investing strategies to prepare for the potential of living longer?
- How are family leaders shifting their legacy planning strategies to prepare for the potential of living longer?
- Do family leaders have a plan for shifting expenses throughout retirement?
- How will family members make sure family leaders are prioritizing the spending that makes their life the most enjoyable as they age?
- Who has ultimate decision-making power over financial decisions?
- Do younger generations have the financial literacy necessary to understand the implications of longevity?
- How will philanthropy be impacted by family leaders living longer?
- How much financial information will family leaders share with younger generations?



Health care

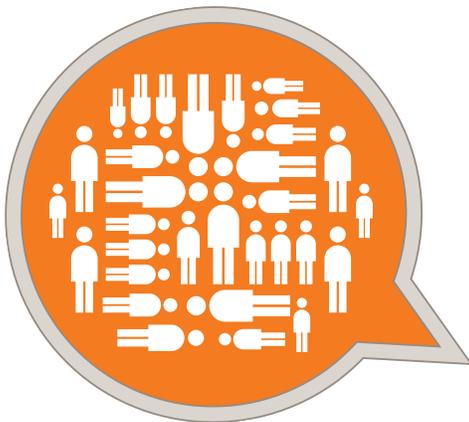
- Are family leaders healthy?
- Have family leaders assembled a good team of health care professionals?
- What changes in insurance coverage are anticipated?
- Are there other changes in health care spending anticipated?
- How will family leaders' health impact their lifestyles and quality of life?
- Do family leaders have any chronic conditions?
- What genetic diseases should family leaders and younger generations be on the lookout for?
- Are there other considerations based on family medical history?
- How has the family prepared for a long-term decline in health among family leaders?
- How will family leaders transition into assisted living?
 - Will they move to a smaller home first?
 - Will they live with a specific family member?
 - Will they move to a nursing home?
- What family members will be responsible for coordinating medical care for older family members?
- Are family leaders interested in concierge health care or other forms of high-end care?
- How should family members address the health care implications of diminishing competency with family leaders?
- How will other family members be supported physically and emotionally as family leaders' health diminishes?
 - Will they live with a specific family member?
 - Will they move to a nursing home?

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Questions for Discussion *(continued)*

Legal

- How should family members address the legal implications of diminishing competency with family leaders?
- Do family leaders have a legal team in place?
- Will lawyers be involved in family meetings?
- Do legal agreements reflect what has been agreed upon verbally during family discussions?
- How will legal fees be paid?
- Do family leaders have the appropriate legal documents drafted, including a will, health care and financial power of attorney, do not resuscitate, etc.?
- How often will these documents be reviewed or updated as individuals live longer?
- Do trust stipulations need to change if family leaders are still alive when a benefactor turns 18 or 21?
- Will family leaders utilize a spousal lifetime access trust?
- What role will specific family members play in legal decisions?
- What information do younger family members have about legal structures, trusts, inheritances, etc.?



Family

- Who will take over various family leadership roles as individuals pass away or become too ill to maintain their responsibilities?
- Which family members will take on more caregiving duties for family leaders?
- How will issues including location, caregiving capacity, and past relationships impact these decisions?
- Have issues like driving been addressed with family leaders before they become a safety issue?
- How will family traditions shift and be passed on as family leaders age and may not be able to continue them in the same way?
- How will diminishing competency and aging family leaders be explained to young children?
- How often will family members discuss retirement and legacy planning?
- What family members will be involved in decision making?
- How will difficult decisions be handled?
- How will living longer impact inheritances?
- Do family leaders have intentions for the money they leave to other family members?

About Pitcairn

Pitcairn is a true family office and leader in helping families navigate the challenges and opportunities created by the interplay of family and financial dynamics. Wealth Momentum®, an experience-based family office model, helps families achieve a more effective and complete experience. Since its inception, Pitcairn has partnered with some of the world's wealthiest families to meet their needs and drive better outcomes – year to year, decade to decade, generation to generation. Today, Pitcairn is recognized as an innovator, guiding families through generational transitions and redefining the industry standard for family offices. The firm is located in Philadelphia, with offices in New York and Washington, DC and a network of resources around the world. You can learn more about our family office services as well as find additional articles, news, and events on our website at www.pitcairn.com.

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