PERSPECTIVES

Building a Culture of Family Learning



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As Pitcairn's Chief Learning Officer, Amy's primary focus is helping families flourish by empowering them to embrace a culture of learning. From her own experience and Pitcairn's more than a century of serving wealthy families, Amy knows that a culture of learning is one of the most valuable advantages a family can have.

Through numerous conversations with families of wealth, I have noticed that no matter where we start or what topics we touch on, we almost always come back to one fundamental question: ***How will we stay together and flourish as a family?*** Families want their members to be responsible wealth owners, and they want their family to prosper in harmony for generations. When families ask how to make these aspirations a reality, my answer is simple and direct: families who learn and grow together, stay together. How do I know this? I see it every day, and Pitcairn has seen it for 100 years through seven generations of its founding family. Learning is the secret sauce. It is a key performance indicator for sustained family success.

Learning is the very essence of flourishing. As individuals, we cannot flourish if we do not grow, and we cannot grow if we do not learn. The same is true for families. To be a learning family is to weave learning through every aspect of life, making it central to a family's identity and well-being.



Benefits of Being a Learning Family

Recently, my colleagues and I met with a family searching for a new advisor. Their first two requirements were typical: investment support and family office services. They told us the third requirement was a deal breaker: they would only consider new advisors who could provide family learning support for their rising generation, ranging from 10 to 28 years old. I was elated that this family believed learning support was non-negotiable, but why? The family had lived through the consequences of not educating and engaging earlier generations. They learned from their history and were determined not to repeat it.

Being a learning family guards against pitfalls associated with wealth and increases the likelihood that families will thrive over multiple generations. Learning helps families build:

- **Resiliency:** Learning families are prepared for life events that may test family unity and alter financial circumstances.
- **Bridges Between Generations**: Learning together helps families unite behind a shared identity that overcomes generation gaps.
- **Foundations for Family Continuity:** Family ties often depend on the matriarch and patriarch. Learning families focus on development to promote cohesion beyond the founding generation's unifying presence.
- **Competence Over Self-Doubt:** Children and grandchildren may wonder if they can match the founding generation's success. By instilling competence and self-esteem, learning counters feelings of inadequacy that can be self-fulfilling and leave family members alienated or adrift.

Engaging and Adaptive Learning Reaches Across the Family

Historically, prominent families like the Carnegies, Rockefellers, Rothschilds, Mellons, and others have shown how much they valued learning through philanthropic bequests. Many also made learning a priority for their own families. For example, the Merck family created the Merck Family University, a structured learning platform for family members who wanted to understand its pharmaceutical business or pursue leadership roles in the family or company. Like many of these notable families, Pitcairn has pioneered and finetuned its approach to learning for many years.



Four key areas of family formation are particularly vital to being a learning family. These are:

- Cross-generational connections
- Development of rising generations
- Leadership evolution and transition from the elders to the rising generation
- Learning to make joint decisions

There is no definitive learning strategy or structure to address these areas of formation. However, one essential requirement is that family learning programs be adaptive. Every family's learning journey is unique, and families need time to get where they want to be. Your learning plan must adapt and evolve along the way, with many opportunities to experiment, evaluate, and redirect. With an adaptive approach, you can embrace learning in any way that works for your family: individually or in groups, formal or informal, through books or experiences, or even by osmosis if that's what it takes.

Content Built Around Competency

Learning is most effective when content is guided by the needs of the family and its members. ***While familiarity with financial concepts is important to anyone with substantial wealth, it might not be the primary area a family initially wants to address or even focus on.*** Family members may want training related to their family business, entrepreneurial skill building, or something entirely different. Not everyone can or wants to be directly involved in managing the family's financial wealth or business, but they can still contribute in other areas. What matters is that family members choose a role that suits them and can participate in a learning program to master the competencies required to contribute to that role.

During a self-reflection session, a young family member confided to me that he felt disengaged from his family's multi-billion-dollar enterprise. He didn't want a position in the business, but he did want a role in the family. Through our positive discovery approach, we realized he had an interest in and a knack for finance and investments. Together, we designed a learning and development plan, starting with an observer role on the family's investment committee. He committed to the work, learned the ropes, and gained confidence. Now that he has achieved the required competency, he contributes in a way that suits his talents and preferences.

Family Learning and Development Plans should be expansive enough to cover a range of family roles, rigorous enough to achieve competency, and highly personalized. At Pitcairn, we have built a learning matrix called Your Wealth Canvas™ that helps members of multigenerational families grow into the people they choose to be. We have distilled what we learned over a century of serving multigenerational families of wealth into a personalized learning experience for every life stage. Combining resources, tools, and mentorship, Your Wealth Canvas™ clarifies learning goals and simplifies the path to achieving them. Topics such as Wealth Stewardship, Life Design & Personal Development, and Leadership & Entrepreneurship are presented in manageable and flexible categories so families and individuals can choose topics that interest them, prepare them for specific roles, and support family and personal goals.

The Five Capitals

James (Jay) E. Hughes, a renowned family advisor and author of multiple books about families and wealth, pioneered a transformative wealth planning model. He asserts that families have *Five Capitals*. They are:

1. **Human Capital:** The individuals who make up the family.
2. **Intellectual Capital:** The academic education and life experience of each family member.
3. **Social Capital:** Family members' relationships with one another, their networks, and communities.
4. **Spiritual Capital:** A family's shared intentions, dreams, and traditions.
5. **Financial Capital:** The assets a family owns.

In the past, financial capital was considered the most important (and sometimes the only) component of a family's wealth planning. Hughes ranks financial capital not as the primary capital but rather in service to the other capitals. Learning families use financial capital to develop their other capitals, both for the family as a whole and for individual members.

Catalysts for Learning

If a family has yet to begin its learning journey, a catalyst may force their hand. Are any of these inflection points happening or on your horizon? Now's the time to make learning a priority. Experience tells us that anticipation and preparation will deliver better outcomes.

- **A new generation:** Parents want children to live happy, productive lives but may worry that awareness of wealth will stifle motivation and distort their values. Schools don't teach sophisticated financial literacy, and parents might want help opening a dialogue.
- **Major life events:** These can be welcome transitions, like graduation, adulthood, marriage, and parenthood, or what author Bruce Feiler calls "life quakes" — a death, illness, divorce, or trauma that sets off a prolonged period of change.
- **Financial transactions:** The sale of a business or other liquidity event frequently ripples across families, spotlighting areas where learning can calm the turbulence.
- **Generational transition:** By the third generation, connections between the founding generation and rising generations can be tenuous. Trusts and portfolios are complex; more family members mean varied opinions and goals. Learning together helps families manage complexity and strengthen relationships.

The Power of a Learning Champion

To be a learning family, a critical mass of family members must participate in the learning program. Successful learning families frequently have a family insider who boldly advocates for the learning mission. This Learning Champion is also a cheerleader, enthusiastically rallying the troops and encouraging or gently nudging family members to get on board. The Champion can be anyone within the family (but not an outsider) and is often a parent or grandparent concerned about how rising generations will grow into their wealth. When the Learning Champion is also a true family elder, it shows that the family is making room for the next generation.

One of the most effective champions I have worked with is a woman whose father and brother were wealth creators and the family's financial experts. She was searching for her place in the family enterprise. As a participant in Pitcairn's rising generation network, she heard about the 'family champion.' A light bulb came on as she imagined herself in this role. With enthusiasm and determination, she inspired her family to ask qualitative instead of quantitative questions and became the driving force as the family talked about the purpose and multi-faceted dimensions of their wealth, their values, and how learning could help them pass those values on to future generations.



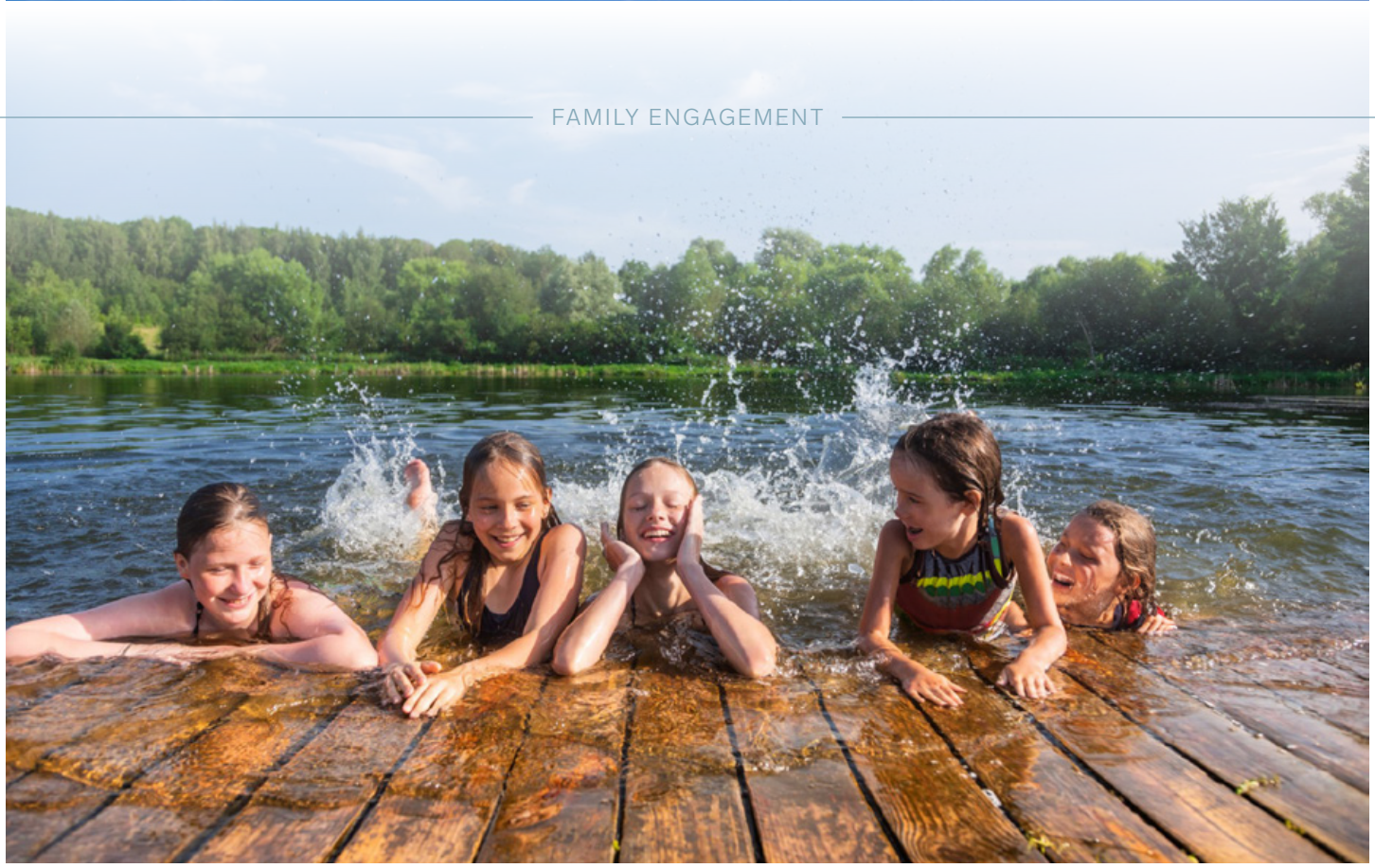
Learning Opens a Gateway for Current and Future Leaders

A family cannot prosper for generations if rising members are unprepared or current leaders never yield control. I have seen how learning and engagement can develop the capabilities of the rising generation while also helping family elders relax their grip on the reins.

A family's leading generation wanted help educating the rising generation and asked us to answer questions from family members in their 20s and 30s. We could have provided written responses as requested. Instead, we invited the rising generation to help us co-create content relevant to them. These young adults stepped up to lead multiple interactive sessions and were fully engaged because they were empowered. This was possible because the family's elder, with our encouragement, overcame the natural inclination to maintain control and instead ceded the leader role to become a discerning listener.

Too often, family members tell us with genuine respect but also dismay that my parent "won't step out of the way so we can step up." Learning helps families accept that everyone's role must evolve as time passes and the family grows. Coaching current leaders to become wise elders helps them take the courageous step of yielding control with the assurance they will still have an essential role. Only then can rising generations see their path forward.

Learning families find respect for each other, are open to different ideas and viewpoints, and are able to have conversations that re-orient expectations to incorporate the wishes of all family members and even the community across multiple generations.



Are You Ready to Be a Learning Family?

I recently presented to a group of business families, and one of the attendees asked when learning should begin. As individuals, we are ready to learn about financial concepts and values as children, probably as early as seven years old. For families, learning can start at any stage. However, to truly be a learning family, there is a litmus test.

A family can only be a true learning family once they believe intellectually and emotionally that their wealth is more than money. They are willing to invest their financial resources to enrich their development, including their human, intellectual, social, and spiritual capital.

Sometimes, families aren't ready yet. They may have internal conflicts, limited capacity, or a reluctance to commit resources.

For example, I recall at the end of one particular family meeting the family had agreed on a unified development plan. But the patriarch, always the dominant voice in the room, later told me there was no consensus. It turns out he was mistaken. The truth was that most of his family was on the same page. It was the patriarch who was in an entirely different book. At that time, there was too much internal discord to introduce a family learning and development program. However, every family can find a path forward, and with some professional guidance, this family ultimately found theirs.

Marshalling Support for Your Learning Plan

Families who made their mark on history, like the Carnegies and the Rockefellers, aspired to become "great families" and invested in that aspiration. Being a learning family is an investment in the future, and families must decide how much time and financial resources they will allocate to this endeavor. For many, that starts with assessing how much you are already dedicating to learning-related initiatives.

Whatever your family's progress to becoming a learning family, external support can bolster your future efforts. Family offices are a valuable resource. In fact, for a true family office, family engagement and learning is the crucial third leg of the proverbial stool supporting clients, investments, and family office services.

Working with your family office means learning and development plans can align closely with your family's comprehensive wealth plan for a relevant, relatable curriculum. Also, your family office sees patterns across families and has insight into best practices. Finally, your family office can expand your learning experience by bringing together families and individuals with shared interests and concerns.

Remember to Bring the Fun

I cannot emphasize enough that fun is a game-changer in learning and family relationships, especially across generations. One of our clients hosted annual family meetings that included multiple generations. Each year, there were more excuses and less participation. Family members dreaded these proceedings. We suggested the family have a gathering where the only goal was to enjoy each other's company. This was the breakthrough. Since then, this family has alternated fun events with knowledge-focused family meetings.

Over the years, we have created intergenerational fun through trivia contests, storytelling, and friendly competitions promoting connections between generations. To bring the fun for specific family cohorts, we have offered activities that appeal to different age groups, such as fishing excursions for children and teens or wine tastings for grownups.

Valuable Attributes of Learning and Thriving Families

Some attributes are common to learning families, but it's a chicken-and-egg scenario. Sometimes, these characteristics are already part of a family's DNA and provide a head start to being a learning family. For other families, the learning journey begins first and helps them nurture these attributes. What's clear is that these attributes are universal among families that flourish for multiple generations.

- **Shared purpose and values:** Families engage in thoughtful conversations and create consensus about the ideas, qualities, and values that bind them together.
- **Appreciation and respect for individuals and the family:** Families are equally concerned about individuals and the family collective. They are open to conversations and choices that support the wishes and well-being of all family members.
- **Regular family gatherings:** Time together is time to talk about what's important, recall how you enjoy each other, and remember why you want to stay together.

Learning Families are Thriving Families

My passion for family learning arose from spending the first 15 years of my career as an investment manager and financial planner. I observed that providing excellence around all the financial needs of supporting ultra-wealthy clients was only a piece of seeing my families flourish.

Before joining Pitcairn, I led the knowledge and learning strategies for Family Office Exchange, working with over 400 families and 150 advisors from many specialties. There, I focused on listening to families and directly connecting their concerns and aspirations to solutions-based learning experiences. It was also there that I found the other missing piece: that while managing the money, the financial capital, is critical, developing the human capital with the same or even more significant care creates optimal conditions for families to flourish.

The best reward for learning families is that every generation can be a new first generation — benefiting from those who came before — but with the competence, encouragement, and freedom to paint their own canvas and add to the family panorama.

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