

# STEP JOURNAL

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## Engaging with the next generation

Martyn Gowar discusses the importance of families adopting 'a culture of engagement'.

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This month, I want to return to the topic of family offices and succession, following a very stimulating lecture at a symposium that my firm recently hosted in Washington DC for our family office clients.

The speaker at the symposium was talking about the challenges and trends facing high-net-worth families, but take out the words 'high-net-worth' and what he said remains relevant and true, because, really, he was discussing personal issues, not business issues.

## **A culture of engagement**

In the case of high-net-worth families, there is a risk that family members will think the answer to all problems lies in the creation of a structure; and sometimes a structure's creation is treated as the starting point, rather than the final element, in the process of implementing a solution.

I have been known to occasionally mention the aphorism: 'The problem with our society is that we try to make the measurable important, rather than the important measurable.' The above scenario seems to be another example of doing things the wrong way around - after all, the structure is there for the family members, and not vice versa.

## **There is a need to educate families about fostering a culture of true engagement between family members**

Our speaker stressed this reality and talked of the need to educate families about fostering a culture of true engagement between family members. He spoke of there being three elements in this culture: a shared dream, shared values, and an environment of mutual trust. You only have to glance at those three ingredients to realise how many family situations are just not suited to allow dreams, values and trust to develop.

The adoption of such a culture is even more challenging in a world in which the family unit itself is being redefined, with fewer marriages, and more divorces; where new generations have such access to information that the parental diktat 'Because I say so' will not hold sway in the long term; and where the different influences on family units that arise as a result of global intermarriage may be at odds with the traditions of the family.

## **Twenty-first century challenge**

So do we give up? Of course not. But this is a challenge that we need to think about in a 21st century way.

We cannot change family dynamics, because the personalities involved have grown in their own individual moulds. However, I do not believe that members of the upcoming generation will be

completely different to their forebears simply because they are undeniably more independent. True, the way they learn and what they learn have changed significantly, but let us not confuse intelligence and knowledge with experience.

That said, if our client is the patriarch who has controlled his family in his lifetime and intends to rule from the grave, it will not be easy to advise him that his successors will be happy to live forever under his rules.

What is fundamental is that, if there is a shared dream, it is one that benefits from support and engagement because it is a vision which promotes aspiration – not simply consumption – and which the family members individually are proud to promote to their children and others.

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