



# A Family Mission Statement Can Help Any Family Manage Assets, Philanthropy and Direction

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A family doesn't need a surname like Vanderbilt to benefit from a family mission statement. A mission statement is a collaborative document created by one or more generations of family so standards and goals can be set for the handling of all family assets, including businesses and philanthropy in particular.

While mission statements aren't legal documents – in fact, many are done both in written form and on videotape as a companion to legal wills and directives -- their purpose is to make a record of the family's values, goals and aspirations and how those sentiments should drive future decisions about family wealth management, business succession plans and charitable pursuits. Multi-national companies have mission statements. Non-profit corporations have mission statements. A mission statement for your family, helps identify and clarify specific values and goals, facilitates group decisions, instills confidence and encourages unity.

It should also identify family leadership who will work with other relatives in implementing those goals.

While the end product should produce a document built from discussion, argument and consensus, it's not so much about the piece of paper as the process. Many families

start the process as a way to build consensus about long-term financial, business, estate and philanthropic goals, but the conversation can take twists and turns that don't directly involve the family money. In this process, a family can identify the strengths, weaknesses and unearthed priorities of all family members and might reveal leadership few had expected.

Trained financial advisors including financial planners, tax experts and estate attorneys, can help explain the process and set an agenda for families to follow in creating the mission statement. While some extended families may elect to bring in a facilitator to guide their process, there are generally four components to a family mission statement – estate issues, philanthropy, business planning and family dynamics in general.

It also helps to start with some questions that can guide the discussion. Many experts start with questions that first get family members talking about their relationships and how their dynamics work, and then move into business and money matters.

- What's most important about our family?
- What do you think our goals should be?
- When do you feel most connected to the rest of us?

# A Family Mission Statement Continued...

- How should we relate to one another?
- What are our strengths as a family?
- Where do you think we'll be as individuals in 5, 10 and 15 years?
- In order, what are the five things you value most in life?
- How should we behave toward each other?
- How should we take care of relatives who are or become sick or disabled?
- How should we resolve our disputes?
- How important is the family business to you?
- What should we be doing differently with our family money as well as our assets inside the business?
- What professionals or structures should we bring in to help us manage our wealth?
- What's the best way for us to be building our wealth?
- What do you think the role of our family should be in helping the community?
- What should we be doing individually and as a family with regard to philanthropy?

Structurally, the written mission statement can be whatever you agree it should be – most experts say it should be no more than a paragraph long, but that's a guideline, not a rule. It is also very important to focus on the positive, meaning what you want to accomplish and achieve as a family, as opposed to what you want to avoid. And it needn't be set in stone – a family should have a meeting every year or two to revise or approve its mission. The family mission statement helps a family establish its identity and the variety of voices within, and those voices may be subject to change over time. The family mission statement is a

living, breathing document that can evolve over time. In today's fast paced world, it is easy to get caught up in the here and now, a family mission statement can help you stay true to your family's values. As a result, families may not feel the pressure to keep up with the Joneses because their mission statement helps achieve balance. It is also very important to focus on the positive, meaning what we want to accomplish and achieve as a family, as opposed to what we want to avoid.

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**What should we be doing differently with our family money as well as our assets inside the business?**

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The right mission statement can help reset goals and diffuse tensions later. It can also be used to moderate discussions that inevitably happen after major changes within the family – death, divorce or happily, an increase in the number of heirs and participants.

As for the age of the participants, it can start in very basic form with younger children and the process can mature as they age. It's actually a good idea to bring young members into a customized version of the process for youngsters so they can comfortably adjust to working as adults with the older members of the family.

For additional resources on how to create a family mission statement, please consider utilizing any of these websites

[http://www.nightingale.com/mission\\_select.aspx?from=homepage&element=missiontitle](http://www.nightingale.com/mission_select.aspx?from=homepage&element=missiontitle)

[http://www.ehow.com/how\\_2043790\\_write-family-mission-statement.html](http://www.ehow.com/how_2043790_write-family-mission-statement.html)

<http://www.franklincovey.com/msb/>

*This column is produced by the Financial Planning Association, the membership organization for the financial planning community, and is provided by Robert J. Cole, Jr., CLU, ChFC, CASL, CFP®, a local member of FPA.*

# PURPOSE & PERFORMANCE

Bringing balance to a busy personal and professional life is challenging. In order to accomplish all that is considered important and necessary, most people resolve to work harder and faster.

Therefore, individuals and families are increasingly experiencing a time crunch. The result is mounting stress and compromised health and vitality.

And yet, despite their best efforts, many express frustration about not being able to bring tasks to completion or having enough time to focus on what or who is most important to them.

No doubt, time is the most precious limited resource we have. In fact, the majority of people responding to a Wall St. Journal/Gallup poll indicated that if they had a choice, they would pick having more time over having more money.

In your own life, you will find that one of the biggest factors that contributes to your life satisfaction is to gain (or regain) a sense of control over how you spend your time. In *Take Back Your Life: Smart Ways to Simplify Your Daily Living*, author Odette Pollar recommends that the best way to do

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more is to do less.

For example, don't keep trying to jam more and more into your over-crowded schedule; determine to drop several items instead. However, you will first need to analyze your priorities.

In *Getting Things Done*, author and productivity guru David Allen wrote:

“Purpose and principles furnish the impetus and the monitoring, but vision provides the actual

blueprint of the final result. This is the ‘what’ instead of the ‘why’...

...We know that the focus we hold in our minds affects what we perceive and how we perform.”

Once you are clear on what is most important to you, then you can drop additional demands that don't fit that criteria. Saying “no” more often will allow you to say “yes” to your priorities.

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## REVIEW YOUR MONEY HISTORY

For many of us, managing our finances and building economic security is a nagging concern. We know we should be making greater strides in taking control of our money matters, but nothing changes. What keeps us from achieving the financial peace and satisfaction we desire?

One of the main obstacles to financial freedom is listening to the wrong money messages. Our attitudes and beliefs about money have their roots in the value-laden messages we have picked up along life's journey. These money messages are not only clothed in the words of others, but in their behaviors as well.

However, these revelations are not intended to give you the opportunity to place blame, but rather to help you recognize potential obstacles to your financial well-being. Remember,

awareness is the first step to change!

Therefore, it is important to look for clues in your past that will help you to understand your current financial life. The following questions will guide you in this reflection process:

1. Starting with your childhood, what experiences have shaped your underlying beliefs and attitudes about money?
2. What do your patterns of earning, saving, investing, and giving say about you?
3. What were you taught about money when you were growing up?

# Review Your Money Cont...

4. In your family, was money an issue, a source of conflict, a reward, or a tool for achieving goals?

5. When did you first start spending money? How did that make you feel?

6. In your past, has money been a source of conflict in your important relationships?

7. As an adult, what has been the most important lesson you have learned about money?

8. What money habits have been obstacles to reaching your life goals?

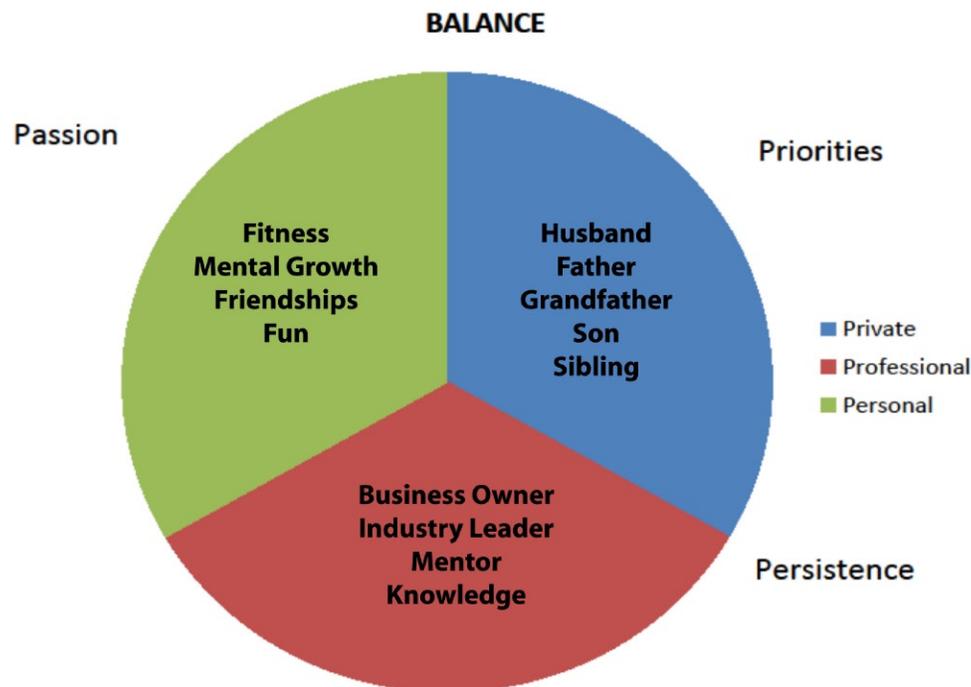
9. What money habits have brought you closer to your life goals?

In summary, to discover the roots of your money attitudes and actions (or inaction!), look first to your childhood experiences. A review of your money history will give you tremendous insight into the money messages that consciously and unconsciously influence how you deal with money on a day to day basis.

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## *In My Opinion...*

My wife and I just finished our Annual Planning Retreat. We have done this exercise for some thirty years and follow the same format that we ask of our clients. Yes, it is difficult and full of emotion. Last quarter, I wrote about process. This quarter, I want to talk about vision. The graph below illustrates our vision for the future. Since personal growth is a cornerstone of my Mission Statement, we see ourselves in a constant state of “becoming” and we want to assure that our resources are aligned to support that Mission.



I have spoken many times about how important it is to start your planning with a clear imagining of what your “ideal” life outcome would be. Even though we know we will never attain its complete fulfillment (thus the process of becoming), it gives your daily activities a solid base for consideration. Financial Wealth is so much easier to manage when you are clear in your mind about how you want to use it. Of course, the other forms of wealth work this way as well.

This is not a passive process, which is probably why so few people do it. It takes focused, deep thinking to set your life’s priorities and they constantly evolve as you travel along your life’s path. Still, what could be more important than to know in your heart what you want from this gift called life? The good news is that it is never too late to start. You can begin simply by asking yourself: “what do I want from my future”? It’s your choice; why not exercise it?

Until next time, that’s my opinion.

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