

Video: Tips for the Trail – Preparing Heirs for their Inheritance

(cheerful music)

On-screen text: Tips for the Trail, Bryan Pieper & Greg Stringari from Trailhead Wealth Management, LLC.

On-screen images: A photo of Bryan and Greg appears alongside this text.

On-screen text: Tips for the Trail logo, Ryan Ruff, Host

On-screen video: Ryan Ruff

Ryan Ruff VO: Hello, and welcome back. Good to see you again. We thank you for joining us for our second episode of Tips for the Trail. I'm your host Ryan Ruff, and in a few minutes, I'll be joined by really the stars of our show, and that's the co-founders of Trailhead Wealth Management, Pipes and String, or Bryan Pieper and Greg Stringari.

Ryan Ruff VO: Again, hey, we thank you for joining us. You know, in our last episode our inaugural episode at that, Pipes, String, and I sat down to identify, you know, what makes a good wealth manager, a great wealth manager? In today's climate, you know, there are so many financial advisors or wealth managers out there with all the financial acumen you could ask for, but really it comes down to a little bit of a hidden element that should be really finding its way into a lot of the conversations with clients. Pipes and String shed some light on that for us, and it really, it's the human element that comes into play. So if that's a topic that interests you, and maybe you didn't have a chance to catch us on the first episode, feel free. Go on back and watch us, listen to it on whatever platform you can find us on. And it'd be great to have you aboard.

Ryan Ruff VO: So, but hey, for this episode, we've got a little bit of a different topic for you today. And I think I'm gonna lead off with this topic by starting with a question. Are you and your heirs ready for that level of inheritance to come through? Are they ready to handle that level of wealth coming through? You know, we find in some instances they're not, and this situation can lend itself to some hazardous conditions for the wealth itself, but also the heir's health. This can sometimes be a sticky situation and a tough one to navigate. So luckily we've got Pipes and String to lean on for some guidance in this case. So let's bring them aboard.

On-screen video: Bryan Pieper and Greg Stringari both appear on screen next to Ryan Ruff from their own video streams. In order from left to right, Ryan, Bryan, and Greg. Both Bryan and Greg are smiling.

On-screen text: Ryan Ruff, Host; Bryan Pieper, Partner, Trailhead Wealth Management; Greg Stringari, Partner, Trailhead Wealth Management

Ryan Ruff VO: Pipes, String, great to see you guys, great to have you aboard, welcome back to the show.

Greg Stringari VO: Oh, thanks Ryan, thanks for having us. It's always a fun time.

Bryan Pieper VO: Great to be back, thanks, Ryan.

Greg nods as Ryan introduces the topic

Ryan Ruff VO: Our topic today is one that I think most people are familiar with, and that's the idea of an inheritance. Maybe you've been a beneficiary of it, maybe you haven't, but either way it can lend itself to some interesting variables.

Both Bryan and Greg nod emphatically with raise eyebrows

Ryan Ruff VO: So first and foremost is, you know, inheritances are big deals for people. You know, this can be a lot of money in some of these instances, a lot of assets that can be life-changing for an individual or several individuals, overnight, just like that. But the process of inheritances can be a little bit of a double-edged sword.

Bryan nods multiple times and appears eager to begin his response

Ryan Ruff VO: So can you guys kind of start today's episode off by talking about why this can be a little bit of that double-edged sword for us?

On-screen video: Ryan Ruff alone

Greg Stringari VO: Oh, for sure, Ryan. You know, inheriting money comes with plenty of benefits

On-screen video: Greg Stringari sitting alone with a bookcase behind him

Greg Stringari VO: and drawbacks for sure. And you know, one of the examples that we're gonna talk about today is grandma and grandpa decide they want to leave a nest egg for either their kids or their grandkids. And they want to help them, maybe help them get through college, maybe give them college tuition that'll help them get off to the right start, or maybe a down payment to it to a new home that will help them do that. And if that's communicated properly, that's great.

Greg shrugs as he shares this insight

Greg Stringari VO: But you know, and 95% of the time, that may work. But there's always that time where that nice chunk of inheritance comes down and it ends up going into a red Ferrari that grandma or grandpa had no intention of getting for, but it actually happened that way. Or they take a trip around the world. So that communication is extremely important.

Greg uses his hands to gesture receiving by bringing his hands into his chest

Greg Stringari VO: And on the other side, inheriting the money, being the person that is getting the money, it's not a worry-free life from there on out.

On-screen video: Bryan Pieper (on the left) and Greg Stringari (on the right).

Bryan nods multiple times in agreement with Greg's statement

Greg Stringari VO: There are still all kinds of both internal and external challenges that they're going to face.

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right).

Ryan Ruff VO: Right, so when it comes to these challenges, guys, what exactly are we talking about?

Bryan nodding

Ryan Ruff VO: Because there can be a lot of them, I would imagine. So could you dive into a little bit of this?

On-screen video: Bryan Pieper

Bryan Pieper VO: Yeah, I'll take this one, Ryan. Greg mentioned it, the internal versus the external. I'm fond of so many different expressions that are guiding lights in our life, if you will. And gift is a four letter

word. Debt is a four letter word. And it would seem that these two don't go hand in hand, but emotionally they very commonly do. The person who receives that very generous gift can feel indebted, they can feel undeserving, unworthy, and frankly they can struggle with how are they perceived now by those around them that know of this gift? So that would be an example of the external piece. Internally adjusting to a completely different lifestyle, depending on the size of the wealth, it takes quite a bit of an adjustment period.

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right).

Ryan Ruff VO: Ryan: All right, guys. So in these instances, you know, what are you seeing the extremely successful families doing or sometimes maybe even not doing, in cases like these when it comes to passing on their level of wealth?

On-screen video: Greg Stringari

Greg Stringari VO: Well, we're fortunate enough to be able to see a lot of these things work. And so we have clients that are constantly, you know, passing down money to the second generation. So we see the good side of that and we see what works, and we try to use that as kind of a roadmap to mimic so we know what looks successful. A lot of people sit back and say, you know, the financial matters of inheritance is important, which is, number one, "I want to try to get my estate down. I don't want to have to pay estate taxes. So I'm gonna do some gifting for that purpose." And that's extremely important, setting up trusts, setting up estate planning goals for you. The key thing here is the communication between the the grandma and grandpa or the mom and dad that's going to pass the money down to communicate to them that this is coming versus the shock that all of a sudden, "Mom and dad had just given me an inheritance of X dollars amount," and they don't know what to do with that. So the communication, as you can see, is going to be extremely important in answering that.

On-screen video: Ryan Ruff

Ryan Ruff VO: Sure, so let me ask you this, guys. Where do you begin? You know, if you were the parent looking at your kids, knowing that you're gonna pass wealth down to them, where do you begin with trying to foster financial intelligence among those heirs that one day will inherit this level of wealth? Where do you begin with that?

On-screen video: Bryan Pieper

Bryan Pieper VO: Yeah, great question, Ryan. So another guiding principle for us is no one plans to fail. They fail to plan. So just as we do from a wealth management perspective, we like to bring that concept to the families, and the most successful situations we can think of from our actual experiences, we've had several sessions where we bring in the matriarch and patriarch and then generation two and generation three, and we sit around the table.

Bryan smiles

Bryan Pieper VO: Sometimes, we'll facilitate that with some good food and drink and make it more of a conversation than a business-like meeting. But you do want to have those conversations. You do want to get together so that we can at least start preparing, letting the matriarch and patriarch talk about the values, what's important to them, what has served them well through the years, and at least start the path for how this is going to go.

On-screen video: Ryan Ruff (left) and Bryan Pieper (right)

Ryan Ruff VO: Right, it sounds like communication plays a massive role in this, guys. You know, just starting that dialogue, making sure everybody's on a level playing field in terms of the understanding that needs to be had among everyone at play. So let me ask you this then.

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right).

On-screen text: Ryan Ruff, Host; Bryan Pieper, Partner, Trailhead Wealth Management; Greg Stringari, Partner, Trailhead Wealth Management

Ryan Ruff VO: When you're going through this process and you're beginning these conversations, you know, I feel like a good place to start is getting a good idea of your heirs' current views on wealth as a whole, and then their current abilities for dealing with wealth of their own.

Bryan and Greg nod periodically in agreement with Ryan's discourse

Ryan Ruff VO: Maybe they've got a part-time job. Maybe they are working full time. You know, just getting a sense of how they manage money and then maybe utilizing that information and leveraging that into the steps and the conversations to educate them about what is coming on the heir side. And am I right in saying that, you know, one informs the other of that conversation?

On-screen video: Bryan Pieper

Bryan Pieper VO: Yeah, absolutely. I think we, we like to start by reminding everyone that money is simply a tool. It is neither good, nor bad. Yet we all have experiences and a belief system that has been informed by our generations before us. And so we like to start there, and at least dive into and examine, "What is your experience with money? What has it meant to you? What good experiences have you had? What bad experiences have you had?" You know, unfortunately today, a lot of popular media has frankly villainized wealth.

Bryan smiles as he continues this statement

Bryan Pieper VO: And so the emotional baggage that comes along with that needs to be examined, dissected, educated, informed, all of those things. I think that's the most shocking piece around this when we step back and just put that question on the table with all generations, "What is your experience with money?"

On-screen video: Bryan Pieper (left) and Greg Stringari (right), briefly before adding Ryan Ruff back to the video; Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right).

Ryan Ruff VO: Sure, you know, I can imagine, it's like we had mentioned at the top of the call, it's a life-changing moment that happens and there's so much realization that comes into play that you've got to just come to grips with, how your life's gonna change and how this is gonna benefit or take away from certain avenues of your life. There's just so much to consider. Obviously a daunting conversation to have, but one that's got to start somewhere. You know, you've got to be able to get your mind wrapped around about all the things that are going to change with this. So let me ask you this, guys. Once you're going through this process, is there an approach to educating heirs on the idea of inheritance that might be more appealing and will resonate better with them ultimately, you know, with those potential inheritors?

On-screen video: Greg Stringari

Greg Stringari VO: Yeah, great. You know, I think, again, fortunate enough to go through this process. We think, we start with the big picture for most people, and especially at the beginning, because sometimes, you know, they're young kids, they're still in high school or they might be in college. And so it's a process. And getting to know them and understanding that once this relationship starts to build and we start gaining each other's trust, then we would surround them with what we call a virtual family office, maybe some CPAs, some attorneys that can help them and guide them down that right path. And obviously us as wealth managers will help them invest their money and use it wisely. I would say, I'm gonna use, John and Susie get an inheritance, for example. What happens a lot of times, especially to the younger generation, is that 95% of the time this money comes in and somebody knows about it somewhat. And so their buddy says, "Oh, hey Johnny, I hear you got this inheritance. Here's what we should do with this money. We need to go open up this business. We need to invest in this and we need to invest in that."

Greg extends his arm out as if he is blocking something, similar to the well-known Heisman pose

On-screen video: Ryan Ruff (left) and Greg Stringari (right)

Greg Stringari VO: So our job is to kind of Heisman, if you will, the pretenders or the people that think they know what they're doing, and that's what we try to do with all of our inheritors, for sure.

On-screen video: Bryan Pieper (left), Ryan Ruff (middle), and Greg Stringari (right)

Bryan is nodding with raise eyebrows; Greg is smiling with raise eyebrows

Ryan Ruff VO: Yeah, I can imagine, you know, the people are coming out of the woodwork now that now that you know Sally and John have access to the money. So that can always be an interesting variable at play as well that I'm sure you guys have seen in your your instances of working with a variety of clients on this matter. But, you know, in terms of this idea of preparing your heirs for inheritance, is there anything else that family matriarchs or patriarchs should be thinking about when it comes to preparing them?

On-screen video: Bryan Pieper (left) and Greg Stringari (right)

On-screen text: Bryan Pieper, Partner, Trailhead Wealth Management; Greg Stringari, Partner, Trailhead Wealth Management

Bryan Pieper VO: You know, I think that the best experiences we've seen have all started during lifetime. Greg's mentioned this a couple of time. You may or may not be surprised by how many people inherit money that had no idea it was coming. So we really do believe in starting now. It can be an awkward conversation, no doubt. I think that's one of the things we pride ourselves on is we don't view it that way. We view it as a great opportunity to pass on values and share experiences and make it an unbelievable event of significance instead of some sort of new debt or new burden. So yeah, I know I'm repeating myself, but starting sooner rather than later. Another really unique thing we've seen happen is with philanthropy.

On-screen video: Bryan Pieper

Bryan Pieper VO: So a lot of matriarchs and patriarchs will set up things like a donor-advised fund, for instance. And with that, they're able to bring in the next generations, plural, to start talking about what's important to the matriarch and patriarch, giving back to their community. The causes really aren't that important necessarily, but what's really been some of the coolest things we've ever seen is when grandma and grandpa, I'm sorry to stereotype here, but grandma and grandpa will give the grandchildren a certain allowance or budget, if you will, of, "Hey, here's 5000, 10,000," whatever the number is, "Why don't you come back to us and present your business case for why we should either

endow this organization or give a gift?" That little life lesson is really powerful when it's done intergenerationally.

Bryan smiles with pride as he reminisces about past clients

Bryan Pieper VO: I'm getting goosebumps thinking about an actual family that's done this. It really leaves a long lasting impression on everyone. And again, it takes that burden of money and puts it into a positive light.

On-screen video: Ryan Ruff (left) and Bryan Pieper (right)

Ryan Ruff VO: Sure Pipes, you hit the nail on the head. It's a life lesson, and that's really an opportunity to teach a younger generation a great deal about one avenue, if you will, of managing this wealth. And then it gets them thinking down the road in terms of the inheritance and what could be coming. It is a great learning opportunity for anyone sitting around listening, watching this right now. You know, that's a little nugget of information you can certainly take away from today's talk. And let's be clear guys, I know we're talking about the super affluent or super wealthy families in the majority of our conversations here on Tips for the Trail.

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right)

Bryan and Greg nodding emphatically

Ryan Ruff VO: But in this instance, when it comes to inheritance, you know, it doesn't have to be inheriting enormous sums for these types of educational efforts to be important and helpful for your children, right? Like there are still opportunities to be educational regardless of the number or the amount of zeros on the end of the check, right?

Bryan nods as Greg begins providing a response.

On-screen video: Bryan Pieper (left) and Greg Stringari (right)

Greg Stringari VO: 100%, and thank you so much for saying that because a lot of people viewing this think, "Oh, I don't have a enough wealth to inherit or to give to people." And that is not the case, 100%. We have people that sit down and they bring in their grandchildren or their children, and it's as little as \$1,000, starts with \$1,000 and 2,000 and 5,000 and 10,000. And these dollars are so important to those people that are passing that down to their second or third generation. And that feeling when we sit there in that room and listen to grandma and grandpa tell them that they're gonna give them \$5,000, and even the grandchildren might get emotional about this. I just, we love that part of it. And it's not about the dollar amount and the amount that's being given.

Bryan nods

Greg Stringari VO: It's the heart, it's coming from their heart. And it's the warmth, and it's just building a value and a culture system in those kids. When we see that, it's heartwarming to watch that. So whether you're giving \$1,000, or a 100,000 or a million dollars, we treat them all the same, and we truly, truly thank and appreciate everybody that does that.

Bryan Pieper VO: Yeah, it's hard for a couple of middle-aged guys to be warm and fuzzy about this, but we've had the privilege, the benefit, of watching clients do this. And it really, I mean, it motivates us and inspires us too to have these same conversations with our own family, our team here. So it's one of those ripple in a pond effect, you know? You throw that little pebble and it keeps going.

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right)

On-screen text: Ryan Ruff, Host; Bryan Pieper, Partner, Trailhead Wealth Management; Greg Stringari, Partner, Trailhead Wealth Management

Ryan Ruff VO: Hey guys, you're right. This really is a loaded conversation. There's a lot to unpack within this. So to tie a bow, really, at the end of our conversation for the day surrounding inheritances, who should families turn to to look for help when it comes to educating their heirs and really preparing them for that level of wealth that might be coming one day?

Bryan nods emphatically

Ryan Ruff VO: Who do they turn to?

On-screen video: Bryan Pieper (left) and Greg Stringari (right)

Bryan Pieper VO: Yeah, that's a good question. I think we tell everyone we talk to about this, start with who you already know. Talk to your wealth advisor, talk to your accountant, your attorney. If you're not feeling that level of confidence in how that conversation is going, then yeah, obviously seek out others. But it all starts with one simple-I shouldn't say that, it's not a simple conversation. It's an important one. But start there. And look for someone, you know, I think one of the things we have the privilege and benefit, we have experienced 3 plus years each doing this, and what that has translated into is really a courage.

Greg nods

Bryan Pieper VO: We have a lot of courage to lovingly nudge our clients into these conversations and really turn their goals into action.

On-screen video: Bryan Pieper

Bryan Pieper VO: You want somebody who is not afraid to be direct, and that's what we take great pride in.

On-screen video: Bryan Pieper (left) and Greg Stringari (right)

Ryan Ruff VO: String, anything to add to that?

Greg Stringari VO: Yeah, I'll add onto that. And if there's one thing that anybody takes away from this, and we've said it over and over and over again, it's the communication. And people think that, "You know, I've got this money sitting in this account or I have this house," and something happens, they pass away and this is gonna roll downstream to their kids or their grandkids, but they didn't ever have that conversation. And that is a hard conversation to have, but you need to do it. You know, talk to them about what we have, and here's why we want to give it to you. So that communication, I will say is so important. And if there's one thing, you know, communicate. And again, communication is great, relationships in wealth, everything. Use it, do it, and-

On-screen video: Ryan Ruff (left), Bryan Pieper (middle), and Greg Stringari (right)

Ryan Ruff VO: Sure, and it makes total sense. No, no, no, feel free to share your thought. I was just gonna say, it makes total sense. You can't over-communicate when it comes to an issue that is as black and white as the dollar and cents in your account.

Greg Stringari VO: 100%, yeah.

Bryan Pieper VO: Yeah.

Both Bryan and Greg nod.

Ryan Ruff VO: Well guys, thank you so much for kind of diving in to this topic with me today. I know it's kind of a loaded topic in that, and I'm sure if there are other questions that exist for our audience out there, they can always reach out to you guys in your office. You know, schedule a consultation to talk through some of these questions that they might have, whether it is on the inheritance topic or on our first episode, you know, what makes a good wealth manager or a great one?

Both Bryan and Greg nod emphatically

Ryan Ruff VO: We're gonna have some more episodes obviously coming for our audience in the future addressing new topics each time. But no, hey guys, thanks again for joining me today. This was a great one.

Greg Stringari VO: Yeah, thank you. And again, Pipes and I always appreciate, and thanks everybody, and we're always gonna say this. We say this at every meeting, you'll always hear us say this. You've made your wealth, now you have two jobs.

Bryan smiles and nods

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Greg Stringari VO: One job is to stay healthy, and the next one, make memories.

Ryan Ruff VO: There you go.

Bryan Pieper VO: Thanks everybody.

On-screen video: Ryan Ruff

Ryan Ruff VO: There you go, couldn't have said it better myself. And we thank you, our audience, for joining us for our second installment of Tips for the Trail. You know, again, if you'd like to benefit from any of the information that you've heard in today's episode, just head on over to Trailhead Wealth Management's website, Facebook page, you name it, and you'll be able to find the resources that you're looking for. So for Pipes and String, I'm Ryan Ruff saying so long, and we thank you again for joining us on today's edition of Tips for the Trail.

(cheerful music)

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On-screen images: A photo of Bryan and Greg appears alongside this text.