

BEYOND WEALTH
Worth[®]

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10 stories of urban innovation



Family Values

**LIESEL
PRITZKER
SIMMONS
STRIKES OUT
ON HER OWN**

Q: What does leaving a legacy mean to you?



BY KEVIN R. LUCHETTA
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PIONEER FINANCIAL AT
NORTHWESTERN MUTUAL

► **At Pioneer**, we meet every day with people who have achieved great things, both professionally and financially. They have built amazing lives for themselves and for their families. But, of course, no two families are exactly alike.

We've come to realize that the choices people make with their money reflect their unique values, vision and philosophy—and are often expressions of what those people truly love.

When it comes to estate planning and creating a legacy, expressing what we truly value can often be daunting and complex. Many of our clients point out that they have a good attorney, CPA and investment professional, but they have no one on their team who talks to them about bigger-picture issues that can't be put into a template or onto a spreadsheet. They have no one who can help them really get to the heart of their own philo-

sophical view of money: how it's made, how it's given, to whom it should go and why.

We feel that this "why" is the big missing piece in intergenerational wealth planning today. While so many professionals are focused on the quantitative—maximizing tax efficiency, purchasing X dollars of life insurance or beating benchmark rates of return—the industry is not spending enough time talking about whom clients want to give their money to and *why*.

For this reason, when discussing legacy planning, we make sure to *slow down* and focus on the "why." We start by asking what it is that our clients truly value. We walk them through a values exercise that helps clarify what they really care about, such as family, community and integrity, just to name a few examples.

We also help them to gain a deeper understanding of their personal vision, a

glimpse into a future that they find inspiring and engaging. When clients fully embrace what they'd like to create during their lifetime, they can be more intuitive about articulating what they'd like to provide for others when they are no longer here.

We've found that once the *qualitative* aspects of a financial plan and a legacy plan are firmly rooted, all the *quantitative* elements come much more easily.

To help clients further clarify how they'd like to make decisions about their money, both while living and after they pass, we've developed a process based on Abraham Maslow's now-famous hierarchy of needs. Our version, called the Family Hierarchy of Needs, addresses the basics of what many people want to provide for themselves, their children, their parents and, at times, their extended family. This starts with *providing care* and *empowerment*.

Providing care means making sure everyone has their baseline material needs met: a place to live, food to eat, and the assurance of healthcare, both physical and psychological.

Empowerment means not subsidizing individuals or stifling ambition with unlimited financial support, but instead providing assistance where necessary to allow them to pursue a calling, profession or business opportunity that they are truly passionate about. Education, of course, is the cornerstone of empowerment, with financial independence being the ultimate destination.

Legacy planning is unique in that it forces us to confront our own mortality, something that is not easy for anyone to do. Yet we believe strongly that spending the time to get to the heart of what our clients truly value is the only way to build a meaningful legacy plan—one that will continue to affect the people and causes that they care about for generations to come. ●

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ABOUT PIONEER FINANCIAL AT NORTHWESTERN MUTUAL



Pioneer Financial at Northwestern Mutual provides financial services to high net worth and emerging high net worth individuals, families and business enterprises. Pioneer Financial’s team of 17 associates and staff serves clients nationwide from its Park Avenue office in New York City. Kevin R. Luchetta, Stephen

A. Schwartz and James L. DiNardo are wealth management advisors and Certified Financial Planner™ practitioners. The practice is focused on assisting clients through comprehensive financial planning that includes asset management, retirement funding, risk management, and estate preservation and distribution.

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