

Courting the Next Generation of the Rich

By CHARLES PAIKERT

ON most weekday afternoons, **Jason Franklin** is frenetically busy in his crowded office on West 38th Street in Manhattan, fielding calls or pushing projects forward as the executive director of Bolder Giving, a nonprofit organization that promotes philanthropy.

But for several days in mid-August, Mr. Franklin, 32, decamped to a radically different environment, the bucolic Sundance Resort near Park City, Utah, where he happily unplugged to attend a biannual conference sponsored by the Threshold Foundation for young adults from wealthy families.

“You’re able to learn new skills, which is certainly valuable,” said Mr. Franklin, who has participated in a number of similar so-called next-generation programs over the last eight years. “But these types of programs, especially the one at Threshold, are also about community. It’s a network of individuals with wealth, and it’s a place where you can become comfortable with that part of your identity.”

Programs for the next generation of wealth holders have exploded in popularity. Covering topics as

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various as financial literacy, prenuptial agreements and managing family dynamics, the programs are offered by large financial institutions like Citi Private Bank, business schools and organizations for wealthy families like the Family Office Exchange and the Institute for Private Investors. Family offices, the professional organizations that manage the financial and personal affairs of wealthy families, are also sponsors.

A big reason for the popularity of “NextGen” programs is fear among financial institutions of losing the children of their wealthy clients as future customers. The concern is well founded. According to Victor Preisser, co-founder of the Institute for Preparing Heirs, more than 90 percent of heirs change financial advisers after receiving their inheritance.

What is more, a lot of wealth is expected to pass from one generation to another over the next several decades, about \$40 trillion worth, according to “The Race for Next-Generation Assets,” a report released by Aite Group in July.

All that wealth creates a robust demand for educational programs

Continued on next page

to help young people deal with its complexities.

The mind-set of baby boomer parents has contributed to the popularity of NextGen programs, said Jamie McLaughlin, a former wealth management executive who is a consultant to wealthy families and financial advisory companies that cater to them.

“The age of the effete trust fund kid is over, due to the boomer parents’ collective drive and ethos as well as this dismal economic cycle,” said Mr. McLaughlin, who is based in Darien, Conn. “Conspicuous consumption is out; purposefulness is in.”

For the children of boomers, networking with peers around the world is a major selling point of NextGen events, said Edouard Thijssen, 25, an entrepreneur from Brussels. He most recently attended a NextGen program at the annual fall forum of the Chicago-based Family Office Exchange, a profit-making group providing education and consulting to wealthy families and family offices.

“It’s great to connect with people from all over the world who have the same issues as you do and exchange ideas,” Mr. Thijssen said. “You can ask advice about things you would never ask at home.”

Given privacy concerns, especially in the social media era, wealthy families are reluctant to discuss personal issues outside the safe confines of peer programs. That makes scions like Mr. Thijssen and Mr. Franklin, himself a media-wise promoter of philanthropy, exceptions in discussing their experiences.

“I recently received a small distribution from my grandfather’s estate, and I wanted to explore socially responsible investing options,” Mr. Franklin said. “The first people I called were those I had met at events who I knew had more experience in the field than I did.”

One of the most prominent programs is Citi Private Bank’s next-generation program. Started 10 years ago with about 20 young people attending, the weeklong summer programs are now presented in New York, London and Singapore, drawing nearly 150 people this year.

The participants, mostly in their 20s, are invited by a family financial adviser to learn investing fundamentals like asset classes, the yield curve, entrepreneurship and family legacy planning. They take part in mock trading exercises and go to Christie’s for a simulated auction to learn about investing in art.

“People take positions and it gets very animated,” said Money K, who runs Citi’s Global program. (A Tamil Indian based in Singapore, Money is his real first name and K, his preferred last name, is the first letter of his long and hard-to-pronounce surname.) “We want the program to be interactive as much as possible.”

He described the generation of wealthy children born in the 1980s as “very digital, very entrepreneurial and very global.”

“A big selling point for them is meeting like-minded people from around the world,” he said, adding that a third of the participants in each city live elsewhere.

Joseph Schorr, 27, a co-founder of a technology business in New York who attended Citi’s program in June, said via e-mail that he liked its educational content, “in particular the overview of the current market and its investment structures.” But he said “the biggest benefit by far was the people we met, both attending the program as well as those invited to speak.”

Some degree of marketing from financial firms comes with the territory at NextGen programs, “but nobody does a hard sell,” Mr. Franklin said. He has also attended events hosted by Redwoods Initiative, a nonprofit organization specializing in educating younger members of wealthy families; the Council on Foundations, a trade association for philanthropic groups; and Resource Generation, an organization of socially conscious heirs.

Those who have attended NextGen programs enthusiastically recommended them, and offered advice. “No one program you sign up for will answer every question you have,” Mr. Franklin cautioned. “But think of the different programs as a continuing learning process.”

Mr. Thijssen urged those considering a NextGen program to think hard about what they want to achieve. “Speak with people who have similar profiles and implement what you’ve learned when you come back,” he said.

Some programs are free. Classes offered by organizations tend to charge a fee. NextGen programs at a Family Office Exchange event, for example, can cost \$1,200 to \$3,200.

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