

The living relay



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Very few wealthy people manage to transfer the ability to guard and preserve wealth across generations successfully. It does not seem to be a strongly genetic ability. Typically wealth builds in one generation only for it to be forfeited in the next.

If you think about it, wealth is no more than accumulated and preserved energy. Wealth has a magnetism towards only a few and remains with even fewer. Energy passively stored naturally deflates through non-use. Inflation for instance is like corrosion on wealth. The infinite power of time is pitted against the feeble and slippery nature of wealth with a very predictive outcome. Preserving wealth is about constant rejuvenation, and not passive custodianship. Wealth preservation needs momentum. If you compare generational wealth to a relay race, it is not about the size or weight of the wealth baton, it is about the way it is carried and used and transferred.

GENERATIONAL MOMENTUM

The wealth you accumulate during your life is preceded by the gaining of ability. This ability takes many forms

and shapes, but it is a phase in the wealth accumulations and wealth preservation cycle that cannot be cheated. Ability, understanding and wealth are symbiotic.

The combination of movement (ability) and weight (wealth) is called momentum. Hence the combination of ability (movement) and wealth (weight) results in momentum. I call the transfer of that momentum between generations "generational momentum".

"THE IDEA IS TO CARRY AND HAND OVER THE BATON FROM RUNNER TO SUCCESSIVE RUNNER, WHILST PRESERVING AS MUCH MOMENTUM AS POSSIBLE."

The key to understanding the idea of wealth custodianship and the guidelines governing generational momentum are closely related to the rules of running a successful relay race.

Succeeding generations are similar to relay runners standing and getting ready in demarcated handover areas on an athletics track. The wealth is similar to the baton being carried through the different stages of the race. The idea is to carry and hand over the baton from runner to successive runner, whilst preserving as much momentum as possible. The better the preservation of momentum, the more favourable the result of the race. We can borrow some guidelines from athletics:

GUIDELINE 1: KNOW YOU ARE IN A RACE

The first runner needs to understand that a relay race is being run, and that the wealth that is being accumulated will survive that runner and be passed on to the next generation. We need to make peace with our mortality, live life to the fullest, but in full awareness of the impending handover to the next generation. There is just no escaping this.

Whilst running, however, each runner remains the custodian of the baton. Handing over too soon, or handing over too late, are both detrimental to the outcome of the race.

It really is a fine line between holding on and being willing and ready to let go. Holding on too tightly creates friction and animosity between generations and creates a mentality of scarcity. Conversely, being too flippant about wealth, fails to install

understanding and respect in others for the process of wealth accumulation and preservation.

Taxes, redistribution politics, divorces, theft and embezzlement, futile business ventures, careless transacting and negligence all pick at the baton held by these lonely travellers entrusted with preserved energy.

GUIDELINE 2: A WILLING RECIPIENT

Those in line to receive the wealth need to keep an eye on the primary runner and hold out an open and willing hand to take on not just the baton, but also the responsibility towards the generational momentum that is passed on with the wealth baton. An unsuspecting heir to great wealth is no different from the winner of a lottery and behaves in pretty much the same way. The wealth will be lost and replaced with misery.

GUIDELINE 3: START RUNNING

The receiving generation should start to get ready as the baton approaches by taking the first running steps. Creating understanding, respect and