



Writing a Legacy Letter

Sharing your values along with your wealth

A service from Wells Fargo Bank, N.A.

When making a large gift of money, property, or other assets, consider the equal importance of clearly communicating its meaning to the recipient. We have seen gifts that powerfully combine words, values, and money become transformational forces strengthening multigenerational bonds, deepening satisfaction for the giver and recipient, and creating a culture of stewardship. Without such a plan, financial gifts can have unintended consequences. One recommended communication tool is a Legacy Letter.

Whether giving to family or any other important individual in your life, consider enhancing your gift by adding a Legacy Letter. Such letters can be a valuable vehicle for capturing and expressing the intentions behind your estate plan. Is your gift meant to further the recipient's education, help the recipient buy his or her first home, start a new business, remind the recipient of the love of a living or deceased relative, or something else dear to you or them? True gifts promote the growth and freedom of both the giver and recipient. Your words personally, powerfully express the "why" behind the "what." Legacy Letters are also enduring. They may live on and touch recipients for generations to come.

Where do I start?

Writing your letter may feel daunting, as you think about what to say and how to say it. This guide is designed to help you clarify and organize your thoughts, create a draft, and finalize your Legacy Letter.

Start by defining your goals. What do you want the gift to achieve?

As you go through the following steps, not everything suggested will resonate. Simply use what feels helpful. You are the expert in your unique circumstances and family culture.

Writing a Legacy Letter

Step 1: Before you start writing

It can be helpful to take time to reflect on your goals and the unique needs of the recipient. Finding a quiet place, assembling heirlooms that hold special meaning, or being in a place of significance for your family may help you write a more meaningful letter. A few minutes of reflection can save considerable time when you are clear about your purpose and the human impact of this gift. The following topics may help you narrow down the key messages you want to communicate.

What defines your family?

- Reflect on your history—your heritage, family stories, and defining moments across generations.
- Recall memories of family traditions, holidays, or vacations and what made them special.
- Tell the “story” behind your financial assets—the source and generation of your wealth, and responsibility for giving back.
- What are the core values or beliefs represented in these family stories and traditions?

What stands out for you as you consider these prompts? What key words, insights, or images come to mind?

What defines you?

- Consider how these stories and values have shaped your life.
- Think about what other experiences, life lessons, or people have influenced you.
- What critical factors helped you overcome hardship and achieve success? What did you learn from each? Did this shape your philanthropic or charitable giving?
- Was there an evolution of your financial knowledge? Whom did you rely on as trusted advisors?

What stands out for you as you consider these prompts? What key words, insights, or images come to mind?

Giving gifts with purpose

Benefits can accrue to the giver and the recipient. A Legacy Letter can enhance a financial gift by enabling you to ground firmly in what matters most within a story. The ability to share both your wealth and wisdom can feel deeply satisfying. The recipient benefits from your words of affirmation and your perspective on the past, present, and future. A Legacy Letter can also inspire a sense of greater intergenerational connectedness. While a letter is a one-way form of communication, if you gift during your lifetime, your words may inspire a deeper dialogue with the recipient about your estate plan and vision of your—and their—financial future.

Without adequate preparation and a communication plan, gifting can become merely a transfer, moving assets from one balance sheet to another. Transfers may also leave both giver and recipient feeling that “strings are attached.” Repeated over time, transfers can weaken the recipient’s identity, undermine independence, and lead to entitlement. A Legacy Letter helps ensure that wealth has a positive impact. At a fundamental level, communication is a form of empowerment when it comes to the impact of wealth.

Who is your recipient?

- Think about the unique capacities and the potential you see in the recipient.
- Reflect on their important accomplishments achieved and challenges overcome.
- How has the recipient demonstrated a commitment to their own values through volunteerism, community service, or activism? Are there ways this demonstrates responsibility, integrity, courage, or other leadership traits that align with your philanthropic, charitable, or social impact values?
- How do you see the recipient echoing your family’s legacy? And in what ways might they be carving their own path?

What stands out for you as you consider these prompts? What key words, insights, or images come to mind?

Step 2: Start writing

As you begin drafting your letter, bring your goals and reflections together. Depending on your process, it may be helpful to start by writing an outline or key points you hope to convey. The following section has prompts that will help describe the “why” behind the gift. Being clear about your values, communicating in a way the recipient can understand, and honoring the transformational power of relationships are three ways we have seen financial gifts help achieve intended goals.

Values and goals

Expressing your values is critical. You might think your goals are obvious, but most misunderstandings can happen because intentions are not clear. We hear from families how important it is to openly discuss family values and legacy.

- Draft the expression of the goals you defined above in a way that highlights your gratitude or love for the recipient.
- Acknowledge any worries or fears you might have about the impact the money/this gift could have on the recipient and offer context of why you feel this way.
- What key principles helped to guide your saving, spending, and giving?
- Use your work above to ensure you communicate your values and goals.

Focus on the recipient

Carve out space in your letter to acknowledge your recipient. One of the most effective tools for having someone else understand you is to show you understand them. This recognition may help open up the recipient to your gift and the positive impact you intend.

- Describe what is unique about the recipient or how they may share values/traits of family members.
- Express confidence the recipient will blaze their own path, wherever it may lead.
- Consider your reflections about your family's financial story and/or your financial journey. Encourage the recipient to incorporate lessons and write their own story.
- Name the joys you hope the recipient's life will hold.

Relationships past, present, and future

Take this time to connect and honor your relationship as you draft. If you want to encourage stewardship of significant financial resources, nothing is more compelling than modeling that behavior. Speaking of yourself as a link in a chain of relationships that made this gift possible is an effective way to pass on the responsibility for stewardship.

- Speak to how you wish the recipient and other family members will maintain relationships into the future.
- Express gratitude for the people who were helpful to you in your financial journey and the importance of trusted advisors.

- Consider reflecting back upon your philanthropic and social impact interests and how they achieved results for specific organizations, populations, or your community. What opportunities remain? What new directions or approaches excite you?

TIP: Tell a story, provide an example, and help the letter come alive. For many, values can seem abstract. Telling a story can make the letter easier to read and help make the values clearer and more tangible.

Step 3: Edit, finalize, and deliver

- Have a trusted family member or advisor read your letter and offer edits.
 - Ask them for feedback on clarity and how effectively the Legacy Letter conveys your goals. What sections stood out as most powerful? What themes or key messages stood out to them?
 - Consider their feedback carefully. If you feel defensive, ask yourself why.
- Let the letter sit for a time and revisit it. Does it say what you want it to say?
- How did writing this letter make you feel? Does it convey the emotion you intended?
- Deliver the letter to the recipient at an age and time that elevates the importance of your gift.
 - It can be helpful to communicate key money messages before a child reaches a legal age where they have access to certain financial information (18-21 depending on state law).
 - Some families prefer to communicate larger financial gifts after children or grandchildren have reached a level of maturity and are “settled” in career, relationships, or geography. Consider writing a Legacy Letter at the time you incorporate significant financial gifts in your estate plan.
 - Having a finished letter can give you options for when to deliver it. Far too many people plan to communicate but never take action to express their intent in their own words.

Talk with your relationship manager and trusted advisors for clarity about the ideal timing for you and the recipient.

If you plan to make a financial gift at your passing, among other estate planning documents, there are three types of wills used to create a well-organized and comprehensive estate plan — Living Will, Last Will and Testament, and Ethical Will. Talk to your relationship manager or financial advisor for additional assistance with your wealth plan.

Putting it all together: When, how, what, and who?

When? Start today. Do not let hesitations about what to write stand in your way. Often what is essential to say does not require a lot of room and it certainly does not require the perfect words. It is more important that your recipient hear your own voice on the page. The most powerful words are authentic ones.

How? Frame your message positively. Avoid language that is critical or controlling, so that you are not giving a gift with strings. There should be no specific expectations the recipient must fulfill or a debt to repay. A financial bequest — when framed negatively — can be a burden. We've all heard stories about families where there was surprise, disappointment, guilt, or even anger after learning the details of a parent's or grandparent's estate plan. The truth is, secrecy surrounding family wealth can contribute to false assumptions, misunderstandings, and hurt feelings. Such confusion can test family relationships as future beneficiaries struggle to understand how decisions around wealth were made. A more positive and transparent message may help make it more likely for you to achieve your goals.

What? Consider the medium. You may choose to handwrite a letter, to share your message in your own script and, perhaps, on family business letterhead or your signature stationery. Drafting electronically gives you the advantage of easily revising, printing, and saving your thoughts. Be sure to print and date a draft when you reach a satisfactory point.

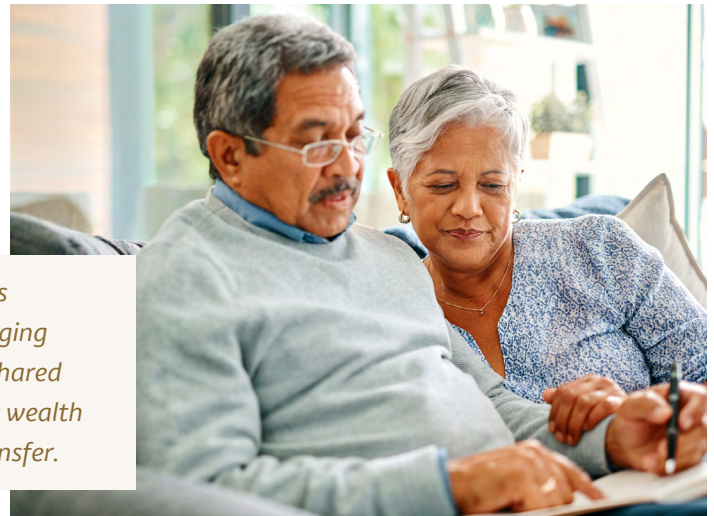
Engaging the next generation in your family philanthropy sparks conversations about money, values, and passions, while encouraging accountability and deeper family bonds. Charitable giving as a shared endeavor promotes consensus on the long-term vision for family wealth and enables you to build on your family legacy before wealth transfer.

However, do not feel limited by written mediums. Consider dictating your thoughts, if you find it easier to speak your thoughts aloud. You may choose to record your voice first and then translate the best of what you say onto paper. An audio or video recording can be used to capture your voices and your personality (and, in the case of video, also facial expressions and body language). Such recordings can more fully capture “you.”

Who? Authorship is also an important consideration. Partners may choose to write individual letters or collaborate on a joint one, which may be dependent on if you are gifting individual or joint assets.

Conclusion

Many experts on family wealth agree on the importance of actively communicating your estate plan with family members who will be affected by your decisions. At a very basic level, ongoing dialogue about your planning is an important part of educating the individuals in your family to become competent stewards of the wealth they may inherit or manage. Expressed in your own words, your Legacy Letter may become something your family will refer to, reflect on, and treasure for years—or generations—to come.



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