

# Create Your Present And Future Legacy

The word “legacy” is primarily used to describe something created in the past that is intended for future generations. For example, land acquired or inherited is often part of a farmer or rancher’s legacy. The leadership roles someone played in their community or industry can be a part of a legacy. Money passed on to children and grandchildren might be part of a legacy. One’s faith, values or reputation are less material but just as important as the tangible aspects of legacy.

There are also things you can create today that are equally powerful in terms of legacy and your impact on others. Consider the following examples.

## Small Investments In Diverse Assets

Most farm and ranch families reinvest their profits in land or other agricultural assets. But, many families also realize the importance of diversity, such as the value of multiple types of crops and livestock, or different geographic locations.

Putting a small amount of money into nonagricultural businesses—such as financial investments, including specific publicly traded stocks, or other types of businesses, including startups or venture capital funds—can grow and compound over decades. I know one family that has even put a small investment in cryptocurrency. You might not put large sums of money in these vehicles (as you could lose the funds), but over decades, they might grow to provide a sizable gift to your kids or grandkids.

## Permission To Make Necessary Changes

A less-material gift is a verbal or written statement to your family today giving them permission to make changes to the business or your assets in the future. Many recipients can feel guilty about veering from the purpose or intent of the original gift. But, circumstances, economies and business conditions change. Give your family permission to exchange some land or sell some assets; let them bring future spouses or in-laws into

business roles or decisions; or allow them to change the ownership structure to fit their vision and goals.

## A Method for Partners To Exit

One of the specific changes that may need to happen in the future is for your heirs to end their business relationship. Many partnerships arise from estate-planning practices, such as putting assets in an LLC, or from the desire to treat heirs equally with illiquid assets such as land. However, differing goals, behavioral expectations and personal circumstances may warrant an end to a partnership. Make sure that you have “buy-sell agreements” in your legal entities and that they are well-thought-out with your attorney and accountant.

## A Reason To Gather As a Family

When several family members work in the business or when children are growing up, the company serves as a focal point for communication. As time goes on, the likelihood that all your heirs will return to the business is slim. Consider giving your family a “nonbusiness” reason to gather. Several families use donor-advised funds or a private foundation to give money to those less fortunate, which also gives them a reason to spend time together. Other families create a tradition around vacations, mission trips or sporting events. The point is to find a reason to gather that isn’t dependent on knowledge of, or passion for, the business.



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Your legacy isn’t simply the sum of your life’s investments and activities. Your legacy includes the choices you make today, which influence the trajectory of your family and business in the future. Diverse investments, permission to change, good exit strategies and a purpose for family gatherings are a few of the things you can create today that future generations will appreciate tomorrow. ///



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