

After the amassing of wealth

■ Older business owners look to give to social causes as well as family

Dave Truman
Business Writer

Like many of Richard Tanner's clients, Art Holmes didn't take immediately to the prospect of a daylong retreat to discuss his financial legacy.

But Holmes, a retired Cleveland businessman and entrepreneur, and his wife of 42 years, Christine, ended up agreeing to meet the president of Ownership Advisors Inc. at their vacation home in Chautauqua, N.Y.

There they spent the better part of a day discussing their values, their family, and how the wealth they had amassed in their lifetimes would best be used in the world.

When many people think of financial planning, they think of cold, hard numbers.

But Ownership Advisors has found success with a soft approach in an industry often associated with accountants and lawyers.

Tanner describes his retreats for personal clients — who tend to be wealthy, businessmen and entrepreneurs — as an “investment into the family.”

“This is your whole life you are planning for,” he says.

Many are convinced when he tells them the retreat will help work through spousal conflicts about money.

Family Counselor

Tanner says there is a growing trend among the wealthy toward wanting to impact the world through philanthropy.

According to Paul Schervish, director of the Boston College Social Welfare Research Institute, \$19.3 trillion of wealth will transfer over the next 20 years.

More than a quarter of those assets, about \$5 trillion, will go to the government in estate taxes and fees.

About \$3 trillion will go to charity.

Tanner specializes in helping people plan for their own future, the inheritance they will leave to family, and making the most of their estates for themselves and others through what he calls “social capital.”



Ken Blaze/News-Herald

Richard Tanner, president of Ownership Advisors Inc., and Client Care Manager Julie Hamilton talk with S.G. Morris Co. President Mike Hirsch and Controller Kevin Martin.

Art and Christine Holmes, who live in Chagrin Falls, plan on devoting their social capital to causes in line with their religious beliefs.

“To us, it's important to be giving to God's work the lion's share of what we accumulate,” Art Holmes said. “We want to be giving to His work and not just passing it on to other family members.”

The couple knew that going into their retreat with Tanner, but they still learned valuable lessons from the experience.

“Just spending quality time talking about issues without distractions and thinking about them was pretty important,” Holmes said. “One of the key things Rich does is try to get you to work out a family mission statement. You talk about your values and why you're doing what you're doing, what you'd like to pass on as a moral legacy to your kids and grandkids.”

“I don't think we had grappled with a lot of those questions previously.”

Many lottery winners end up losing friends, Tanner said, because they are unprepared to deal with the complications of wealth.

“Money without a mission can be a mess,” he said.

In many families, the divvying of an inheritance can open painful sores and create lasting divisions.

Those families are lacking a clear plan.

Having a plan in place that is well-communicated to family, lawyers and other advisers, can take the sting out of such a situation.

Tanner and his team, which includes Concord Township resident Julie Hamilton, take uncommon steps to ensure clients' wealth distribution plans are clear and understandable.

Before their retreat, clients complete questionnaires designed to get them thinking about topics that will be discussed.

The 38-question multiple choice version begins by asking clients to consider how they accumulated their wealth and the personal values they consider most important.

Questions about children's ability to manage wealth, charities and estate planning expectations follow.

Tanner said clients are sometimes surprised when he tells

them not to bring the questionnaires to the retreat.

The idea of the questionnaires is to get clients thinking about themselves, their goals and their families so the ideas are forming before the conversation begins at the retreat.

At the retreat, Tanner plays a sort of psychologist role to find out what is really important to clients.

He asks simple questions that make people think: “If you had 30 days left what would you do?”

“We're talking about what makes them who they are,” Tanner said. “That retreat process really unlocks a lot of emotion.”

Afterward, Ownership Advisors, based in Broadview Heights, combs through transcripts of the conversation and compiles a rough draft financial mission statement aimed at best achieving the goals of the clients.

Once completed, the mission statement serves as a road map that lays out the intentions of the clients.

These statements of purpose often serve as conversation pieces for family discussions, Tanner said.

Holmes said the plan he ended up with took money from the

government and gave it to charity.

“It was a positive experience and it helped us get where we needed to go,” he said. “I think it's a good approach because you know what you're doing is consistent with what your goals are and your values.”

In Business

Tanner even begins with a soft approach for his business clients.

Mike Hirsch, president of S.G. Morris Co. in Highland Heights, said Tanner has helped manage the company's employee stock ownership program (ESOP) for several years.

“We have 57 employees, and those are also owners of the company,” Hirsch said.

As an ESOP company, S.G. Morris, which distributes motion control, pneumatic and lubrication parts, faces challenges foreign to proprietorships or publicly owned companies.

Hirsch said S.G. Morris' books are essentially open because everyone is entitled to know what's going on. But certain matters, such as possible acquisitions or a colleague's compensation,

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aren't for public dissemination.

When Tanner first sat down with Hirsch and Controller Kevin Martin, they didn't begin by dissecting numbers, they talked about goals.

“We talked about their values, and how to develop a way of

communicating that among themselves and their management team,” Tanner said. “We helped them to draft (an) investment policy statement.”

From there, they discussed solutions that would match the values of the company.

To contact Ownership Advisors Inc. call (440) 526-2525.