

All In The Family

*Article by Rick Weinberg,
California Business Journal*



Kevin and Kip Kolson

Family Wealth Leadership is a unique financial firm that focuses on all elements of finance, retirement, estate planning, building wealth, wealth preservation, family counseling and business consulting.

Eleven years in banking, 15 in commercial real estate development, and 24 years as a wealth manager exposed Kip Kolson to the alarming fact that wealth in Southern California families most often harms families rather than making them stronger.

As a graduate of the Institute for Preparing Heirs, this was reinforced by learning the worldwide statistic is 70 percent of wealth is lost every time it passes to the next generation – and it’s gone when the third generation passes. It is called “Shirtsleeves to shirtsleeves in three generations.”

“It started with Adam and Eve, when Cain killed his brother, Abel, and has continued through thousands of years in every coun-

ry, is infected by the 70 percent statistic.

“Children of this generation are accustomed to having wealth and have developed a sense of entitlement,” Kolson says. “They think, ‘Hey, I deserve it.’ Or, ‘I don’t have to work so hard.’ Or ‘I’m supposed to have a BMW in the driveway for my 16th birthday.’ Additionally they do not have the financial, business, and wealth management skills to sustain the wealth when they get control.”

Especially in Newport Beach, Calif., which Kolson can clearly see as he glances out of his Orange County office window. “This is fantasyland,” he says with a tinge of humor and gravity.

Family Wealth Leadership’s passion for

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— Kip Kolson, President, Family Wealth Leadership

try,” says Kolson, President of Family Wealth Leadership, a unique financial firm in Irvine, Calif. that emphasizes family counseling, business consulting, and family coaching in addition to all its wealth management services.

“This destruction of the family unit by the wealth build and preserved for clients was unacceptable,” he says. “That became the focus of our business – making sure that the wealth families create and grow over time would stay within the family and successfully move from generation to generation, improving each generation and building a family legacy.”

Orange County, Calif., which has consistently ranked in the top five nationally in terms of wealth for more than a half centu-

building strong families that will pass their values and necessary skills and experience to future generations led to creating a unique financial firm that focuses on helping families build and preserve wealth, and more importantly, relationships, as it transfers from one generation to the next. His team not only features leading attorneys and accountants, but also therapists, psychiatrists and relationship experts.

When clients work with Kolson and his partner, who happens to be his son Kevin, there can be as many as eight to 10 people on the team, covering every aspect of a family’s structure and business, including family conflicts, and children that have personal issues and might not have the ability to take over the family business.

“We are not the type of firm that encour-

ages ‘divide and dump’ estate planning,” Kolson says, meaning that if there are three children, each one gets one-third “and then they do whatever they want with the money. That can be disastrous to the family and its legacy. Families need to have this conversation now with the entire family around the table, not after dad and mom are gone and each child is accompanied by their attorneys.”

What differentiates Kolson’s firm from others is that it encourages clients to build a family foundation and investment business entities like a family holding company that keeps the wealth under the control and management of the entire family.

He also “strongly” urges families to be involved in philanthropy – “not only because it’s the right thing to do and offers tax advantages, but for its educational and experiential value,” he says.

What further separates Family Wealth Leadership from other firms is that it inspires clients to involve the entire family on philanthropic missions such as drilling water wells in Africa, or building a hospital in a third-world country or building an orphanage in Mexico.

“The value of taking your children on that kind of trip and seeing what the rest of the world is like, plus actually experiencing the positive impact of their philanthropy, will change them forever,” says Kolson, who authored a fascinating book on his business philosophy entitled “*You Can Have It All -- Wealth, Wisdom, and Purpose -- Strategies For Creating a Lasting Legacy and Strong Family.*”

“The value of the family foundation and family holding company is not so much in the giving as what it does for the children

and the family because of our ‘boots on the ground’ philanthropic approach and philosophy,” Kolson says. “Writing a check is easy. We take it a step further. We recommend giving to causes where the children and the entire family have to go off and do something in the world.”

The second reason Family Wealth Leadership likes to build family non-profit and for-profit entities is because “they are a great training ground for children in wealthy families – or any family for that matter,” Kolson says. “It’s just like running a business. If the children are old enough, we encourage the parents to have them fill key management roles now so they will have the experience and skill to run these entities when their turn comes.”

Kolson’s team provides the family office services necessary to run the foundation and holding company along with the family members even when the children are not old enough, mature enough, or aren’t interested in participating.

“We guide our clients and families who are willing to commit to their plan and our process along an exciting and fruitful path that will lead them individually and as a family team from uncertainty to a legacy of significance,” Kolson says. “We help and coach our clients and families to live a more purposeful and fulfilling and joyful life.”

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