

EDUCATION

Educational program teaches young affluents how to preserve family wealth

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Millennials and older HNWs disagree over investment priorities and more. Image credit: U.S. Trust

By BRIELLE JAEKEL

In an effort to provide inheriting generations with the tools needed to preserve family capital, nonprofit member organization Kore Alliance has opened enrollment in a special education program for young people from affluent families.

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Kore Alliance works with ultra-high-net-worth families around the world in a unique venture, and is encouraging these families to educate younger generations so their wealth can live on. According to the group, after fortunes are being passed down through three generations, families can lose up to 90 percent of their wealth.

"The next three decades will see trillions move into the hands of their younger family members - the biggest wealth transfer in history from one generation to the next," said Jim Dilworth, managing director and cofounder of **Kore Alliance**. "A staggering 70 percent of family wealth is destroyed by the second generation, and family unity is usually damaged right along with the wealth.

"After three generations, the loss of wealth exceeds 90 percent," he said. "Kore Venture was designed specifically to equip and prepare the children of ultra-affluent families globally to have the character, wisdom, experience and to build a peer network that can help them avoid the peril."

Educating the next generation

Mr. Dilworth has also stated that trillions of family finances worldwide is set to be passed on to new generations.

Kore Alliance is hoping to pass on wisdom along with that wealth.

The education program is designed for those aged 21 to 29 years old. The program is located in California, the United Kingdom and France.



Wealth spans generations. Image credits: Crystal Cruises

Faculty from institutions such as Stanford and Oxford will accompany experts in family wealth and relationships to provide attendees the tools they need to manage their finances and keep their family relationships healthy.

Interested affluents must apply and be accepted into the program.

The first round of the program will start in January of next year.

Marketing participation is strictly prohibited, as the alliance is a nonprofit organization. Proceeds from the sign-up fees will go directly to Kore Alliance's programs.

Affluent family wealth

The increasing longevity of human life is unsettling traditional notions of responsibility among high-net-worth families, according to a new report from Bank of America's U.S. Trust.

U.S. Trust surveyed 800 high-net-worth families and noted some stark changes and disagreements between young wealthy individuals and older ones. These conflicts mainly took the form of what kind of investments they are interested in, their attitudes toward charitable giving and the new problem of multiple generations competing for the same jobs ([see story](#)).

The silent and boomer generations are expected to pass \$3.1 trillion to younger consumers by 2031, calling for efforts that reach not only the inheritors but all parties involved to ensure a successful transfer of assets, according to the founder of family biography service Bind These Words speaking at Luxury Roundtable: Engaging Gens X, Y & Z.

When inheritors are aware of the story behind the creation of wealth, they are more apt to handle it with care, guarding it for generations to come. Tapping into family history accomplishes both parents' and grandparents' goals to instill responsibility in their children and grandchildren, while also satiating millennials' interest in learning about their roots as they seek to be part of something greater than themselves ([see story](#)).

"Kore Alliance is an global membership of ultra-high-net-worth families that sponsors the nonprofit Kore Venture program," Mr. Dilworth said. "We are not part of a large bank or investment firm, which typically focus the curriculum around investing.

"We believe our focus on character formation is quite unique, and is the foundational platform upon which other competencies should be built," he said. "Kore Venture provides an opportunity for personal reflection and personalized coaching throughout the journey, and it's combined with the integration and consideration of the family of origin including a family history project with parents joining for the final residential.

"This journey is done with the family, not in isolation. We start with assembling peer-based learning cohorts spread across three residencies and buttress this effort with additional home-based learning modules."