

ILLIQUID ASSETS REQUIRE FLEXIBILITY WHEN IT COMES TO WEALTH TRANSFER

As Baby Boomers (people born in the United States between 1946 and 1964) consider retiring or transferring their wealth to the next generation they are faced with a massive challenge. There are some 12 million baby boomers who own a business, and 70 percent of them will be retiring over the next couple of decades. It is estimated that 80 to 90 percent of that generation's personal wealth is tied up in illiquid assets.

As much as 75 percent of the special assets Cumberland Trust sees are in real estate - homes, ranches, commercial properties. In the finance world, there is a drive to turn these assets into cash in order to transfer wealth. However, some of these legacy assets have value to the families beyond a dollar amount. In the case of mineral rights or oil and gas interests, these can be assets that have been in the family for generations and create excellent value and return.

Unlike most trust companies, Cumberland Trust has the flexibility to serve as trustee in situations where families hold unique assets in trust. In most situations, there are experts who work in these fields who are already plugged in, managing the assets and ensuring they are up to date and are functioning properly. Often times that expert is an existing family member. Cumberland Trust works with these experts, ensuring that these critical management roles remain intact.

The same is true with limited partnerships or closely held businesses. As the current owners consider the wealth transfer issue, it is important to find a trust partner, like Cumberland Trust, who will work with the family's chosen management team as part of the business succession plan.

Working with these special assets honors the legacy of the generations that came before, and ensures the current generation has the opportunity to pass them along to the next.

Cumberland Trust is an independent partner to advisors providing comprehensive trust services to families. As a dedicated corporate fiduciary that does not manage money, we complete the family's trusted team of advisors which often includes their estate planning attorney, financial advisor, and accountant. Each team member brings their own individual expertise to the table and, as a result, the family is better advised on the complexities of wealth transfer.

To learn more about Cumberland Trust's unique platform, visit cumberlandtrust.com.



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