THE FAMILY WEALTH PLAYBOOK

Generational wealth, lived today.

A guide to using your resources, values, time, and experiences to shape the lives of the people you love — with clarity, confidence, and intention.

A LETTER TO YOUR FAMILY

Generational wealth is not only what you leave behind.

It is how you use your resources, values, time, and experiences to shape the lives of the people you love — today.

For many successful families, the most meaningful wealth decisions happen long before assets transfer through an estate. They happen when you help a child buy a home, fund a grandchild's education, plan a family trip everyone will remember, support a loved one through a transition, or open a more candid conversation about values, responsibility, and stewardship.

These decisions can be deeply rewarding. They can also be more complex than they first appear.

How much can you comfortably share? Should support be structured as a gift, a loan, or a direct payment? How do you help one family member without creating tension with another? How do you enjoy your wealth today while staying confident in your own financial future?

> **This playbook is designed to help your family begin those conversations — with greater clarity.**

In the pages ahead, you'll find a framework for thinking about generational wealth, a plain-English glossary of the tools families use, six common scenarios where these decisions come up, and a set of questions worth asking before money changes hands.

When you're ready, our team would be honored to walk through any of it with you.

IN THIS PLAYBOOK

What's inside.

Three short parts — foundations, scenarios, and questions — built to be read in order or opened to whatever conversation your family is having right now.

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01 · A NEW WAY TO THINK

Most generational wealth is built in a series of choices — not in an estate.

Many families hear the phrase "generational wealth" and assume it applies only to ultra-wealthy households, family offices, or families navigating estate tax exposure. In reality, living generational wealth can begin much sooner — and look much more personal — than that.

It may show up as the ability to:

- Help a child or grandchild access education
- Contribute to a first home purchase
- Create shared experiences your family will remember
- Support a loved one during a major life transition
- Teach financial values and stewardship
- Make intentional gifts during life
- Structure family support with clarity and dignity
- Align estate documents with the way you want to care for the people you love

> **Thoughtful planning is not the opposite of generosity. It is what allows generosity to happen with confidence.**

The opportunity: enjoy, share, and shape your wealth

Families often spend decades building wealth with discipline. Then, when the opportunity comes to put that wealth to work in meaningful ways, they hesitate. That hesitation is understandable.

You may find yourself asking:

- Are we truly secure enough to help?
- Will this affect our retirement plan?
- Should we give now or leave more later?
- What feels fair if our children have different needs?
- Should this be a gift, a loan, or a direct payment?

02 · THE MANY FACES OF FAMILY WEALTH

Eight everyday ways families live their wealth.

The most meaningful expressions of generational wealth rarely look like a transfer document. They look like the things below.

1 **Education access**
Help a child, grandchild, or other family member afford college, graduate school, private school, or vocational training.

2 **A first home**
Contribute to a down payment, closing costs, or a short-term liquidity need that turns a rental into ownership.

3 **Shared experiences**
Trips, milestone celebrations, annual gatherings, sabbaticals — memories everyone can enjoy while they're here to enjoy them.

4 **A major transition**
Stand alongside a loved one through divorce, widowhood, a health event, a career shift, or a retirement transition.

5 **Values & stewardship**
Teach the financial values that took a lifetime to learn — so the next generation inherits judgment, not just assets.

6 **Intentional gifts**
Make lifetime gifts that arrive when they're useful — not decades later, after the recipient's needs have changed.

7 **Structured support**
Provide help in a way that keeps expectations clear and preserves family dignity — whether a loan, a gift, or something in between.

8 **Aligned estate plan**
Make sure your documents, beneficiary designations, and gifting plan actually reflect the way you want to care for people.

03 · A SHORT GLOSSARY

A few planning terms, in plain English.

You'll see a handful of planning terms in the pages ahead. None of them are as complicated as they sound. Here's a quick reference, in everyday language.

Intrafamily loan

A loan between family members — most often from parents or grandparents to an adult child — documented in writing, with an interest rate and repayment terms. A way to provide meaningful support while keeping clear expectations on both sides.

Interest-only loan

A loan where the borrower pays only interest each year, with the principal (the original amount borrowed) repaid later — often at the end of the loan or as part of a future plan. Used to keep annual payments manageable.

529 plan

A tax-advantaged savings account designed for education expenses. Investments grow tax-free when used for qualified costs like tuition, room and board, and certain K–12 expenses. Many states also offer a state income tax benefit for contributions.

Portfolio line of credit

A flexible line of credit secured by an investment account, rather than by a home or other property. Lets a family borrow against the value of their portfolio without selling investments — which can help avoid triggering capital gains taxes on appreciated holdings.

Applicable Federal Rate (AFR)

An interest rate published every month by the IRS. It's the minimum rate a family loan generally needs to charge for the IRS to treat it as a loan rather than a gift. Because the AFR is typically lower than a bank's, intrafamily loans often offer more favorable terms.

Forgivable note

A written loan that the lender chooses to forgive — in whole or in part — over time. Each year's forgiven amount is treated as a gift. Families often use this to combine annual gift-giving with a clear, documented loan structure.

Direct tuition payment

Paying a school or university directly for a family member's tuition. When the payment goes straight to the institution, it's generally not treated as a taxable gift, no matter the amount — a useful tool for grandparents and parents.

Irrevocable trust

A trust that, once established, generally cannot be changed or undone. Assets placed in it are managed by a trustee for the benefit of named beneficiaries. Used to provide for loved ones, support long-term goals, and address estate planning considerations.

These descriptions are intentionally simple. Each tool has rules, tradeoffs, and tax considerations that depend on your family's circumstances — which is exactly the kind of conversation our team is here to have with you.

04 · SCENARIO

Helping with a home purchase.

For many families, a first home purchase is one of the clearest moments when financial support can make a lasting difference.

A parent or grandparent may want to help with a down payment, closing costs, or a temporary liquidity need. At first, the question may seem simple: “Can we help?” But the planning questions can become more nuanced.

CONSIDER

- How much support is sustainable without weakening your own plan?
- Should the support be a gift, a loan, or another structure?
- Would similar support be expected by other children or grandchildren?
- Would selling investments create tax consequences?
- Should the arrangement be documented?
- How does this decision fit with your estate plan?

How we approach it

The right answer depends on more than the size of the gift or loan. It depends on your financial picture, your family dynamics, and what you want the support to accomplish.

One approach families often work through with our team is an **interest-only intrafamily loan** — a private loan between family members that uses the IRS-published Applicable Federal Rate (AFR) to set the minimum required interest.

When the annual interest is structured to fall at or below the annual gift exclusion amount, the interest can be forgiven each year as a gift. We help families evaluate and coordinate these loans so they fit naturally into a broader gifting and cash-flow plan.

> **The right structure depends on the family — not the size of the gift.**

05 · SCENARIO

Funding education.

Education can be one of the most meaningful ways to support the next generation — college, graduate school, private school, vocational training, or other learning opportunities.

Education support can open doors, reduce debt, and communicate a family value around learning. It can also raise questions about structure, fairness, and long-term planning.

CONSIDER

- Should funds be contributed to a 529 plan, paid directly, gifted annually, or handled another way?
- Are there multiple children or grandchildren to consider?
- Should support be equal, needs-based, or tied to specific goals?
- How does education funding fit with other family priorities?
- How will this decision affect expectations in the future?

Beyond the tuition bill

The goal is not only to pay a tuition bill. The goal is to support opportunity in a way that fits the family's full picture.

Some families fund a **529 account** to capture a state tax benefit. Others **pay tuition directly** to the institution — a payment that, when made directly, is generally not treated as a taxable gift. Some go further and acquire a property near campus for student use.

The right tools depend on your family's broader education and wealth plan.

529 PLAN

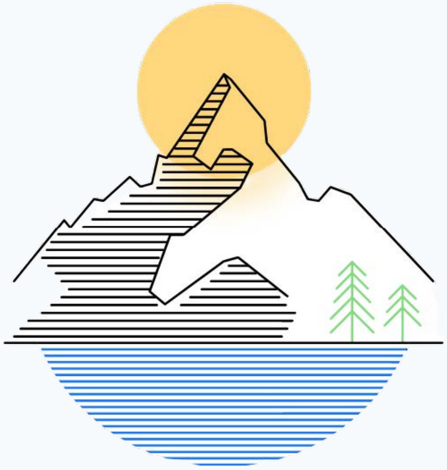
Direct TUITION

Annual GIFTS

> **Pay opportunity, not just an invoice.**

06 · SCENARIO

Creating shared family experiences.



Not every generational wealth decision involves transferring assets. Some of the most meaningful uses of wealth happen through shared experiences.

A family trip, milestone celebration, annual gathering, sabbatical experience, or multigenerational tradition can create connection while everyone is able to enjoy it. These moments become part of a family's story.

CONSIDER

- Is this a one-time experience or a recurring family tradition?
- What level of spending is sustainable?
- How do experiences compare with future inheritance goals?
- What values do you want these experiences to reinforce?
- How can you create memories without creating entitlement?

Giving yourself permission

For some families, the question is not whether they can afford to create shared experiences. It is whether they have given themselves permission to enjoy their wealth in a way that reflects what matters most.

The trip of a lifetime. An annual summer gathering in the mountains. A milestone celebration. Whatever form it takes, it is the memory-making that turns wealth into family story.

> **Memory-making is what turns wealth into family story.**

07 · SCENARIO

Making gifts during life.

Lifetime giving allows you to see the impact of your wealth while you are living. It can also allow family members to receive support when it may be most useful.

A gift may help someone buy a home, pay down debt, start a business, fund education, or gain financial breathing room during a demanding season of life. Even generous gifts benefit from thoughtful structure.

CONSIDER

- What amount can you give comfortably?
- Should gifts be one-time, annual, or tied to a specific purpose?
- Are there tax reporting considerations?
- How do gifts fit with your estate plan?
- Should you communicate your intentions to other family members?

An integrated toolkit

Generosity is most effective when it is paired with clarity. That clarity comes from an integrated strategy that matches the right tools to the goal.

Depending on the situation, those tools may include:

- Outright gifts
- Annual exclusion gifts
- Irrevocable trusts
- Interest-only intrafamily loans
- Forgivable notes

> **The structure should serve the intent — not the other way around.**

08 · SCENARIO

Considering family loans.

A family loan can sometimes provide support while preserving structure. It may be useful when a family member needs temporary liquidity, help with a home purchase, or support for a specific opportunity.

But informal lending can create confusion if expectations are not clear. What begins as a loving gesture can become uncomfortable if repayment terms, interest, documentation, or forgiveness expectations are not discussed.

CONSIDER

- What is the purpose of the loan?
- What repayment terms are realistic?
- Should interest be charged?
- How will the arrangement be documented?
- What happens if repayment becomes difficult?
- How will this be viewed by other family members?

A worked example

The interest-only intrafamily loan introduced earlier can be paired with another tool many families overlook: a **portfolio line of credit** as the funding source.

ILLUSTRATIVE · NOT A RECOMMENDATION

A $2M business opportunity — without selling a single share.

PORTFOLIO **$10M** ~50% unrealized LTCG	OPPORTUNITY **$2M** Daughter buys business
LINE OF CREDIT **$4M** Secured by portfolio	CAPITAL GAINS **$0** No capital gains

The family draws $2M from the line of credit to lend to their daughter, keeps $2M of reserve capacity, and avoids a forced sale of long-term holdings. Their daughter receives better financing than a traditional lender would offer, and the family avoids a taxable event in the process.

This example is illustrative, not a recommendation. The right structure depends on each family's circumstances, and every family loan we help design is tailored to the people and goals behind it.

09 · SCENARIO

Supporting a major life transition.

Sometimes family wealth becomes most meaningful during moments of transition. A divorce, widowhood, health event, job change, business transition, inheritance, or retirement shift can create both emotional and financial uncertainty.

In these moments, support may take many forms. Financial help, planning guidance, education, professional coordination, or simply creating space for better decisions.

CONSIDER

- Is the need temporary or ongoing?
- Is financial support the best form of help?
- Would planning, education, or professional guidance be more useful?
- Are there legal, tax, or estate issues to coordinate?
- How can support be offered without creating dependency?

Compassion + structure

The best support often combines compassion with structure. Helping the people we love — children, grandchildren, parents, others who matter — is one of the most meaningful uses of the wealth a family has worked a lifetime to build.

Money is sometimes the answer. Often, it's a piece of the answer. And sometimes the most valuable thing a family can give in a hard season is a calmer process for making decisions.

> **Sometimes the most valuable gift is a calmer process for making decisions.**

10 · FIVE LENSES

Questions to ask before money changes hands.

Before making a meaningful gift, loan, purchase, or family commitment, it's worth stepping back. The right questions help your family avoid unintended consequences and move forward with greater confidence.

1 Sustainability

Generosity should be grounded in a clear understanding of what is sustainable for your family over time.

- Can this support be provided without affecting your retirement confidence?
- Have you considered volatility, inflation, health care, and long-term care?
- Is this a one-time decision or the start of a recurring pattern?
- Would this still feel comfortable if your circumstances changed?

2 Structure

The way support is structured can matter as much as the support itself.

- Should this be a gift, loan, direct payment, co-signing arrangement, or trust-based strategy?
- Does the arrangement need documentation?
- Are there tax reporting or legal considerations?
- Should your CPA, attorney, or advisory team be involved before you act?

3 Family fairness

Fair does not always mean equal. Families often face situations where one person has a different need or opportunity.

- Should each child or grandchild receive the same support?
- What if one person has greater need?
- Should support be equalized in the estate plan?
- How will this decision be communicated?
- Could it create confusion or resentment later?

4 Values

Financial support often communicates more than money. It reinforces values around education, independence, responsibility, and stewardship.

- What message does this support send?
- What do you want the wealth to accomplish?
- Does it encourage independence and responsibility?
- Are your intentions clear to the recipient?

5 Coordination

Family wealth decisions often touch multiple parts of the financial picture — investment strategy, liquidity, taxes, estate documents, and beneficiary designations.

- Does this decision align with your estate documents and beneficiary designations?
- Are there tax consequences to selling assets or transferring wealth?
- Is there a more effective way to accomplish the same goal?
- Could the decision affect your investment strategy or liquidity?
- Should your advisory team coordinate with your CPA or attorney?

11 · A SHORT SELF-CHECK

Is it time for a family wealth conversation?

If you answer yes to one or more of the questions below, it may be worth starting a conversation before taking action.

- Are you considering helping a child or grandchild with a home purchase?
- Are you paying for, or thinking about paying for, education costs?
- Do you want to create more shared family experiences while everyone can enjoy them?
- Are you unsure how much you can comfortably give, lend, or spend without affecting your own plan?
- Are you trying to treat children or grandchildren fairly when their needs are different?
- Are you considering a family loan, co-signing arrangement, or recurring financial support?
- Do you want your family to understand your values around wealth, generosity, and responsibility?
- Are your estate documents, beneficiary designations, and gifting plans aligned?
- Has a major life event, sale, retirement transition, or tax surprise changed your financial picture?
- Are you wondering when, or how, to bring the next generation into the conversation?

> **You do not need to have every answer before beginning the conversation. The purpose of the conversation is often to identify the right questions.**

A conversation before action can create clarity.

Family wealth decisions are rarely just financial. They are personal, emotional, practical, and sometimes complicated. Starting the conversation early can help your family:

- Understand what is sustainable
- Compare gifting, lending, and direct support options
- Avoid avoidable tax or estate surprises
- Clarify values and expectations
- Create shared experiences with intention
- Coordinate decisions with the complete financial picture

WHEN YOU'RE READY

Start a Family Wealth Conversation.

If this guide raises questions for your family, our team at Destiny Capital can help you think through what is sustainable, tax-smart, and aligned with the full picture of your life.

Whether you're weighing a meaningful gift, a family loan, education support, help with a home, a shared experience, or a broader conversation with the next generation — we can walk through the options with clarity and confidence, and bring your CPA, attorney, and other trusted advisors into the conversation when it makes sense.

When you are ready, we would be honored to start that conversation with you.

Start a Family Wealth Conversation →

VISIT

destinycapital.com

WHERE WE ARE

Denver, Colorado

WHAT WE DO

Asset Management · Risk · Tax · Estate · Retirement