

Glossary of Succession & Legacy-Related Terms
(Disclaimer: Not To Be Construed As Legal Advice)

Succession

The planned transfer of leadership or ownership (often in a family business or organization) to the next generation or chosen successor.

Inheritance

Assets (money, property, investments, or belongings) passed down after someone's death, usually by will, trust, or state law if no plan exists.

Wealth Transfer

The overall movement of money, property, and assets from one generation to the next—currently estimated at \$170 trillion globally over the coming decades.

Estate

Everything a person owns at death: real estate, bank accounts, investments, business interests, personal belongings, and debts.

Estate Plan

The set of legal documents and strategies that guide how someone's assets and responsibilities will be managed if they die or become incapacitated.

Will

A legal document stating who gets what after death, and often naming guardians for minor children.

Trust

A legal arrangement where one person (trustee) manages assets on behalf of another (beneficiary). Used to avoid probate, reduce taxes, or control timing of inheritance.

Probate

The court-supervised process of validating a will and distributing a person's estate. Often slow, costly, and public—many families try to avoid it.

Executor (Personal Representative)

The person named in a will (or appointed by the court) to carry out the instructions of the estate plan.

Trustee

The person or institution responsible for managing assets inside a trust, according to its rules and in the beneficiaries' best interests.

Beneficiary

The person or entity (like a charity) who receives money or property from a will, trust, life insurance policy, or retirement account.

Power of Attorney (POA)

A legal document giving someone authority to act for you if you're unable to (financial, medical, or both).

Advance Healthcare Directive (Living Will)

Instructions for medical care if you cannot speak for yourself, often including end-of-life choices.

Letter of Intent (or Legacy Letter)

Not legally binding, but a personal document sharing values, stories, wishes, or instructions to guide family beyond just financial matters.

Fiduciary

A person or professional with a legal duty to act in someone else's best financial interest (e.g., trustee, executor, or advisor).

Step-Up in Basis

A tax rule that resets the value of an inherited asset to its market value at the time of death, often reducing capital gains taxes if the asset is sold.

Gift Tax / Estate Tax

Taxes that may apply when transferring wealth either during life (gift tax) or at death (estate tax). The U.S. has exemptions that change over time.

Family Office

A private advisory firm that manages the investments, planning, and sometimes personal affairs of wealthy families.

Succession Plan (Business)

A roadmap for who will own or run a company after the current leader retires, sells, or dies.

Liquidity

How easily assets can be converted to cash. Cash and stocks are liquid; real estate or a family business is less liquid.

Philanthropy

The intentional use of money, time, or resources for charitable or social purposes. Often formalized through **donor-advised funds** or **foundations**.

Donor-Advised Fund (DAF)

A charitable giving account that allows donors to make contributions, take an immediate tax deduction, and recommend grants to charities over time.

Private Foundation

A charitable entity, usually family-funded, with more control but also more rules and reporting requirements than a DAF.

Succession vs. Inheritance

- *Succession* = passing on leadership/ownership (especially in a business or role).
- *Inheritance* = passing on wealth/assets.