

Modern Trustee

The role of trustee has evolved significantly in the 21st century, and today's trustees need to recognize that a trust is rooted in a human relationship, not just a legal one. With that perspective, the right trustees are best positioned to govern and conduct the trust as it's typically intended—as a gift of love.

Choosing a trustee is easier said than done. Naming a close sibling who is not fully aware of their responsibilities can leave that person feeling ill-equipped for the significant decisions required along the way, while selecting a business associate may unintentionally result in that person struggling to be as impartial as they should be.

7 TRAITS TO LOOK FOR WHEN SELECTING A TRUSTEE:

1

A MODERN MINDSET

The trustee should think beyond traditional duties of administration, distribution, and investment. They should have experience in trust situs concerns, evolving state laws, tax reform, and next gen education.



2

AN UNDERSTANDING OF DUTIES

The trustee should be trained to govern based on the three primary duties of loyalty, impartiality, and prudence and be able to perform them now and in the future.



3

A WELL-SUITED APPROACH

The trustee should have the qualities a family has identified as most important, be it an empathetic mentoring style or a strong ability to make unpopular decisions.



4

A FOCUS ON THE PROCESS

The trustee should have a demonstrated skill in managing the process not just the result. The trustee's election needs to be founded on the ability to manage what can sometimes be a very hard process.



5

A COMMITMENT TO THE NEXT GENERATION

The trustee should prioritize educating and communicating with the next generation of beneficiaries. That means understanding grantor intent and taking time to hear beneficiary goals and concerns.



6

A BIG-PICTURE PERSPECTIVE

The trustee should have a clear understanding of the purpose of the trust, whether that's long-term wealth preservation, protecting the family business, caring for a disabled child, etc.



7

THE RIGHT RELATIONSHIP WITH THE FAMILY

The trustee should be connected to the family in a role that maximizes the positive impact on the trust, whether that's a family member, friend, business associate, institution, professional advisor, or trust company.

