

# ADVISOR

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## EDGING IN:

### Introducing the Newest Kids on the Block: Gen Edge



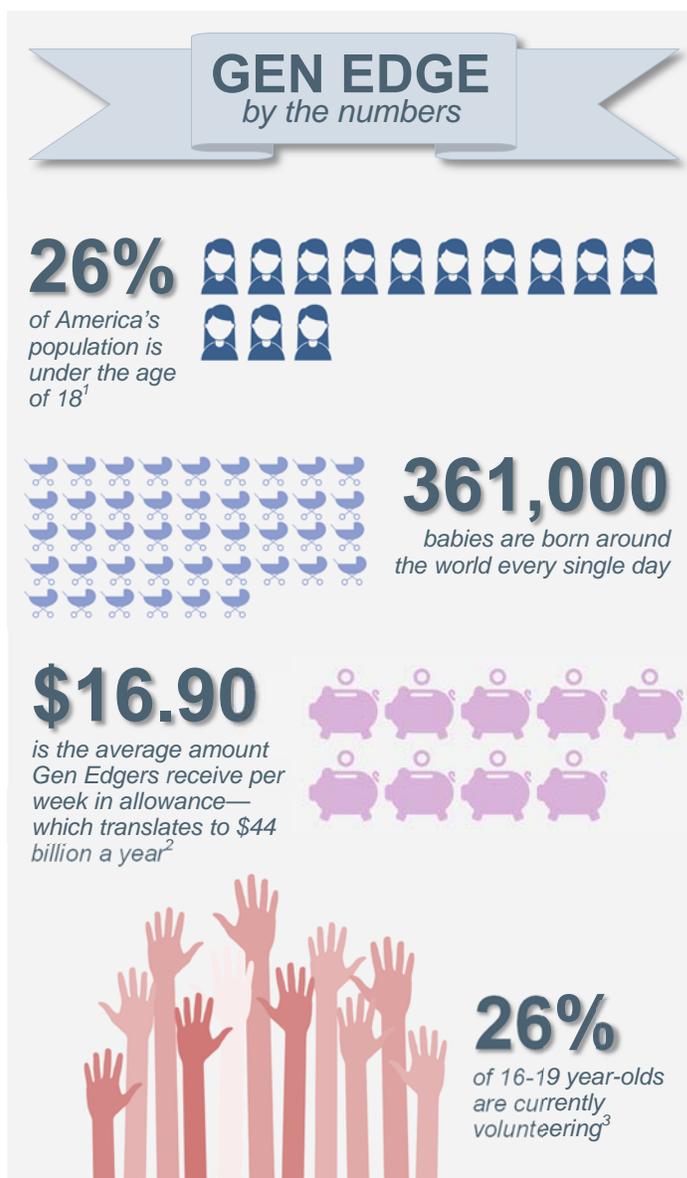
By: Kim Lear,  
BridgeWorks  
Generational  
Expert

Just as the workplace and marketplace were getting their heads around Millennials, a new generation has emerged. Generation Edge (born after 1995) is still in the midst of their formative years, therefore, research is not conclusive, but early studies are already tracking exciting new trends. Every generation comes in, makes noise, challenges the status quo and redefines aspects of our current culture and societal norms. Gen Edge is no exception. Here we will explore the numbers and trends of a generation that is sure to shake things up.

### Gen Edge Trends:

#### A Participation Award is NOT a Real Award

How could this be? As a Millennial myself, I was nearly certain that I was guaranteed at least “an A for effort.” These Gen Edgers are more competitive than their Millennial predecessors. Many Gen Edgers have Gen X parents (born between 1965-1979). Gen X parenting trends have proven to be dramatically different than those of the Baby Boomers. While Baby Boomers parented their Millennial children during the self-esteem movement of the 80’s, Gen Xers are using honest and unfiltered communication to prepare their children for the realities of the world. Fragile economies, declining resources and global competition are just a few of the realisms that Gen Edgers have grown up with. Gen X parents are encouraging their children to get real world work experience at a young age, in fact, 55% of high school students feel pressured by their parents to gain early professional experience.<sup>4</sup> There is a keen sense among



<sup>1</sup> US Census, 2012

<sup>2</sup> Mintel 2013 "Activities of Teens and Kids"

<sup>3</sup> Creative Artists Industry and Intern Sushi 2014; US Department of Labor 2013

<sup>4</sup> Creative Arts Agency and Intern Sushi (2014), Millennial Branding and Internship.com, American Freshman Survey

Gen Edgers that they are growing up in an environment where they will need to compete and win for the best grades, the best schools, and the best jobs. My sixth place gymnastics trophy seems a bit pathetic now...

## DIY Entrepreneurs

DIY (do-it-yourself) is a movement that has been pushed into mainstream culture, largely due to its popularity among the teenage demographic. There has been a resurgence of teenage interest in activities such as baking and building. It would appear that a generation that has grown up with screens is now hungry for tangible experiences. Even when Gen Edgers are using screens, they are using technology to learn how to do things for themselves. Whether it's fixing a bike, planting a garden, or coding, this resourceful generation is finding their own ways to build and create. This hunger for creation and building has spurred a highly entrepreneurial spirit. A recent report found that 72% of high school students and 64% of college students want to start a business someday.<sup>5</sup> After watching their Millennial siblings suffer from the Recession and move back home in droves after college, Gen Edgers are on the hunt to find unconventional ways to pave their own paths and secure a different fate.



## Friendship Unbound

Gen Edgers are far and away the most connected generation. They have a unique ability to make and maintain relationships solely online, both on local and global levels. They are forging relationships with peers all over the world and therefore, building global communities that redefine the way we traditionally view "community." In fact, 26% of Gen Edgers would have to get on an airplane in order to see all of their Facebook friends.<sup>6</sup> With global camaraderie and seamless integration between their virtual worlds and their real worlds, Gen Edgers are giving friendship a new meaning.

Each generation leaves an integral mark on our society and culture. The Gen Edgers are proving to be a resilient and resourceful group that will surely redefine our world.

<sup>5</sup> High School Careers, 2014, Millennial Branding and Internships.com  
<sup>6</sup> JWT Gen Z Study, 2013



Market Street hosted its inaugural Women & Wealth luncheon on September 23rd at Le Cirque in New York City, and the event was a tremendous success! Approximately 50 women gathered over lunch to hear a lively panel discuss a variety of topics regarding the most important issues on how women think about and manage their wealth. The panel members included Elizabeth Smith, panel moderator and Market Street board member; Charlotte Beyer, founder of Institute for Private Investors; Elizabeth Nesvold, Managing Partner of Silver Lane Advisors; and Elizabeth Weymouth, Partner of Riverstone Holdings LLC.

The discussion was introduced by Market Street's President and CEO, Marianne Young, who noted that financial literacy is becoming increasingly important. This is in part due to the massive wealth transfer on the horizon, the fact that women outlive men and will likely be responsible for their family's wealth at some point, and also because women are slated to control at least two-thirds of U.S. consumer wealth in the next ten years.

Elizabeth Smith emphasized that "something has to change" because "95% of all women will at one point in their lives have sole responsibility for the financial affairs of their family." She added that "surveys still show that men control most of the financial decisions in the family and women do not feel comfortable asking questions and becoming informed."

The panelists shared their insights on how to overcome this dilemma women are facing. Several of the key takeaways from the panel were:

- Never be afraid to ask questions.
- Always have a sense of where your money is and how it's flowing.
- Always know who your go-to people are and who you can trust.
- You don't have to know everything, but know enough to be an intelligent delegator.
- Even if you are uncomfortable with finances, the sooner you involve your children with things like budgeting, the better off they will be in their financial futures.

Market Street plans to host similar events in the future to promote financial literacy for women and to help them better understand and engage in their financial lives.

# ESTATE PLANNING

## *Breathing Life Into Your Estate Plan*



Chris R. Girts,  
Director, Client  
Service

Estate planning is the cornerstone of a family's financial future and creating a will is an important first step. It can be a simple outline detailing asset distribution upon your death or more complex and coupled with various trust strategies designed for tax efficiency and the benefit of future generations. A carefully crafted estate plan should also reflect your values and ideals related to family wealth and the impact it can have, both positive and negative, on future generations. Even after attorneys are hired, documents are drafted, and the plan is put in place, the work is not complete "once and for all." The most overlooked aspect of estate planning is the fact that wills and certain trusts are living documents that need to be updated and maintained year after year to remain effective. The ebb and flow of the family, such as the size of the family itself, relationships, individual financial circumstances, death, and divorce are all changes that necessitate reviews, and perhaps changes in your estate plan. The will you wrote when your children were in primary school will not be relevant now that they are grown, with children of their own.

Family developments and other changes that may require a revision of estate planning documents include:

- New members are added to the family, including new spouses and the birth of grandchildren
- Family member's pass away
- If your marital status, or that of any of your children, changes
- If there is a significant change in assets, including significant purchases of expensive art collectibles, real estate, etc.
- If you relocate or purchase property in another state or country, there may be different laws governing estates, which will require an examination of the will or trust documents
- Updates in the tax laws can require an analysis of an existing will to determine what changes need to be made in order to keep the integrity of the document
- Financial decisions can also trigger changes in your estate plan, including the purchase or termination of life insurance policies
- Changes in the health or mental acumen of the agents or other designated representatives holding

your powers of attorney and decision making over healthcare and financial matters should something happen to you

Your estate planning should reflect your philanthropic and personal interests as well. Many people choose to leave a portion of their assets to family foundations, charities, or other organizations that are important to them. Close monitoring of these relationships is just as important as those within the family. Charitable organizations can have management changes and shifts in mission that may impact your willingness to continue to support them in your estate plan.

Effective estate plan maintenance is one of the most important aspects of your financial future and one that your team at Market Street has the experience to guide you through. We work closely with you and your trust and estate attorneys throughout the process, and regularly review your financial, family, and philanthropic intentions to ensure the successful transition of your wealth.



## Your Guide to Estate Planning

- ✓ Create a will
- ✓ Create a living trust—this will help avoid probate in various states where you own real estate
- ✓ Designate guardians for your minor children in the event something were to happen to you and your spouse
- ✓ Select a Financial Power of Attorney—this person will make decisions over your financial matters
- ✓ Create a Health Care Proxy, which is a document that states who is in charge of making health care decisions for you in the event you are unable
- ✓ Select a personal representative who will be in charge of settling the estate following your death

# MLPs

## Investing in the Energy Renaissance



Robert J. White,  
Investment  
Manager

Fueling America's future is the energy renaissance. Beyond serving as a direct boost to employment, a cheap energy source acts as a magnet to all those companies that had previously moved manufacturing overseas. The shale gas boom is creating jobs and enhancing economic growth across the nation from Pennsylvania to North Dakota. This is seen in states like North Dakota where population growth is three times the national average and the unemployment rate is an enviable 2.7%.

Market Street invests in MLPs (Master Limited Partnerships) as a way to benefit from the energy renaissance. MLPs are tax-advantaged, publically traded partnerships that exist to develop and maintain energy infrastructure, from pipelines to storage facilities to processing plants. The 'shale revolution' has resulted in oil and gas production in new areas of the nation, areas that do not yet have the infrastructure to transport the oil and gas to where the demand is. The required build-out of energy infrastructure is massive and will largely be undertaken by MLPs, and it is conservatively estimated that over \$600 billion in capital expenditures will be required over the next 20 years. Analysts expect that this opportunity will provide MLP investors with attractive returns as well as protection against rising interest rates.

Market Street believes that an investment in MLPs will provide both strong capital returns as well as significant dividend growth. However, as with any segment of the market, the quality of individual MLPs varies enormously.

The Market Street Real Asset Fund gains exposure to MLPs through investments with Harvest and Kayne Anderson. Harvest has an experienced management team that focuses on selecting MLPs with a solid track record of consistent growth through organic expansion and accretive acquisitions coupled with a high-quality management team. Through the end of August, Harvest's MLP strategy had a two year return of 78%, compared to the Alerian MLP Index return of 50%. This highlights both the benefit of active management in the MLP space and the need to ensure one is able to select and access the best managers.

### Master Limited Partnership (MLP)

*These are limited partnerships that are primarily used by energy infrastructure companies to provide tax-deferred returns to its partners. As partnerships, MLPs do not pay corporate taxes—all gains, losses and income flow through to the partners and are taxed at their individual marginal rates. However, cash distributions are generally classified as a return of capital rather than income.*

