LNW PERSONAL WEALTH ADVISORY BY Laird Norton Wetherby

How to Successfully Transition Generational Wealth and Preserve Family Harmony: Lessons Learned from an 8-Generation Family Office

When the Laird Norton Company was founded, Franklin Pierce was President, there were only 31 states, and the Civil War was still six years away.

Over the next 170 years and eight generations, Laird Norton has demonstrated remarkable growth and resilience, evolving from being a frontier logging operation to one of the longest-standing family companies in the United States. Along the way, the family navigated many of the same challenges successful families face today—from managing liquidity events and balancing distributions with reinvestment to preparing future generations for responsible ownership and stewardship.

I started working with members of the Laird Norton family in 2004 and feel fortunate to have gained a front-row perspective to how the family has thoughtfully built programs, governance structures, and opportunities for engagement that help more than 550 family members remain connected across generations. They have created a culture that both honors the family's shared history and values and provides space for each individual to define their own path, purpose, and contribution to the world.

Today, many families are facing liquidity events, finetuning their mission statements and values, and asking how to prepare future generations for the opportunities and responsibilities that come with wealth. To explore what those families can learn from a family that has successfully navigated these questions for eight generations, I sat down with Laird Norton Company Family President Jill Gardner to discuss the role of values, governance, and shared purpose in sustaining both family harmony and family enterprise.

Jill, after eight generations, how do you share the family history and the values that made your family's wealth creation possible with the younger generations?

For a business-owning family, preserving family history across generations is one thing; making sense of it is quite another. As stated above, Laird Norton family traces its history back eight generations to the founding of Laird Norton Company in 1855. Since that time, we have grown from our original three founders – two brothers and a cousin – to more than 550 family members. Our business evolution has resulted in a Seattle-based enterprise that would be unrecognizable to those three pioneering founders who owned and operated a thriving sawmill in Winona, Minnesota.

Younger generations learn the Laird Norton story as one of continual reinvention: an 1855 Winona logging and sawmill business became a timberlands and lumberyard enterprise, later moved west to Seattle, created a trust company in 1967, built and ultimately sold Lanoga, and evolved into today's diversified family-owned investment enterprise. The lesson is not just what the family owned, but how each generation made decisions about ownership, liquidity, reinvestment, and stewardship. That makes the family history a living curriculum for younger members, helping them understand where the wealth came from, why the family stayed connected, and what responsible ownership can look like over time.

In order to empower future leaders, we developed programs to support our younger family members. We reinforce lifelong learning through our Family Education Assistance Program, supporting family members of all ages as they continue to grow and develop. That commitment to learning has been especially important as each generation encounters decisions and opportunities that previous generations never faced. And our Associate Director program provides roles designed to provide governance education to future family leaders.

How do you balance taking risks with preserving resources for future generations?

Even though our business story takes many twists and turns, three things have remained constant. First, entrepreneurial and innovative family members continue to drive LNC's evolution through engagement in both business and family matters. This is still true despite the decision to shift to a non-family CEO more than 25 years ago.

Second, the family has prioritized finding ways to transfer both business ownership and our family legacy to upcoming generations. Through estate planning, gifting, leadership development, family engagement opportunities, and education, we work to ensure LNC ownership and our LN family history and legacy remain connected.

Third, we strive to ensure that younger family members can interact with LNC leaders across the organization. The resilience of the LN family cannot be separated from the increasingly complex governance structure that has supported decision-making processes and ensured accountability.

How do decisions about cash flow and reinvestment in growth play out with more than 500 family members? What mechanisms and structures do you utilize for communicating and decision making?

When the Laird Norton family chose complexity over simplicity, LNC's family office structure expanded to support increased engagement and education. We have family members of all ages, and generational communication preferences vary. We mail publications, we share them digitally, we host Zoom conferences, we use social media, we maintain websites, we hold small gatherings, we hold large gatherings, we email, we text, and we still miss people. When we change policies or investments, communication strategies are critical.

For example, in 2006, the LN family approved the sale of our largest asset at the time, Lanoga, one of the largest lumber and building materials retailers in the United States. The family worked together to determine the path forward in the wake of the sale, and the choices that faced us loomed large. All proceeds from the sale could be distributed, and LNC could cease to exist. This would have been the simplest option, but the family chose a more complex path forward: distribute some proceeds to the family, retain some, and reinvent our shared investment in LNC. In doing so, we hoped to retain our legacy as a business-owning family. We knew this path was fraught with uncertainty, but the family's priority was clear: preserve both LNC and its large family of owners. Ultimately, while accepting more risk, we also hope to preserve and grow not only the value of LNC as an asset, but the value of being a member of a multigenerational business-owning family for future generations.

How do you align family members around shared values and vision for the family wealth, such as philanthropy and impact investing?

Communication preferences are just one of many ways in which the Laird Norton family is diverse. We live in nine countries on five continents and in 30 states and one district. We are diverse in terms of socioeconomic status, politics, religion, and values. We grow even more diverse each year. But there are two attributes we must share and focus on: we must continue to believe that, together, owning LNC is an important way to do good in the world; and we must continue to believe that the Laird Norton family has a legacy worth preserving. Regardless of what lies ahead, we must pivot around these two fundamentals. As leaders of our foundations, of the family council, and of Laird Norton Company come and go, the values that inform philanthropic and investment decisions are likely to shift. So far, the one value that hasn't shifted is the importance of engaging the family in decision-making processes.

What are the hard lessons you've learned along the way or pitfalls that you would caution other families to be aware of?

We are realists and know that all the decisions we have made over time haven't been perfect. Some decisions that seemed logical at the time have had unintended consequences. For example, an early iteration of a policy that attempted to govern family participation at our annual summit required all family members to have at least a small ownership stake to attend the gathering at LNC expense. Ultimately, this policy increased the complexity of LNC by rapidly growing the number of owners. Currently, almost 400 of the 550 members are owners, although ownership size varies dramatically. The LNC Board continues to grapple with how to prioritize expenses related to ownership and family participation.

If you were at the beginning of a similar journey, such as being the first generation creating wealth through working at a successful tech company or founding a business that is considering a liquidity event, what mentality or mantra would you adopt to guide your decision-making?

For each situation, the answer to this question will depend on the hoped for outcome. For the Laird Norton family, this desired outcome has included the preservation of our business-owning family. In June, the Laird Norton family gathers for our annual Family Summit. This past year, our theme was "Resilience in Motion: Climb Together, Thrive Together." We used the image of a group of climbers collectively scaling a mountain peak to symbolize the benefits and the responsibilities of shared business ownership. Together, we serve as stewards of family legacy and assets, constantly ascending on behalf of current and future Laird Norton generations. This is why our family mantra remains, "WE are Laird Norton." As long as we can say those words, we will know we are succeeding.

ABOUT THE AUTHORS

Kate Donnelly, an educator at heart, excels at listening, explaining things clearly, and answering questions. The discussion might be focused on your investments and finances. But more often than not, it will also touch on a major life choice you face, or what you can do to really make a difference in the region you call home. The exploration of how your assets – financial and personal – can be put to their highest and best use is Kate's specialty. And something she has been advising on for over two decades.

Jill Gardner, A fifth-generation (G5) member of the Laird Norton family, Jill plays a vital role in keeping the extended 500-member family connected and engaged. As Family President, Jill oversees family programs, the annual shareholder meeting, and edits Woodstock, the family journal.

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Offering both RIA (registered investment advisor) and trust services, LNW is committed to providing clients with unbiased, independent guidance and solutions. LNW has offices in Seattle, San Francisco, New York, Los Angeles and Philadelphia, as well as an affiliated trust company in South Dakota, empowering clients across the U.S. and around the world.

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