

Family Harmony by Design: Introducing the Relational Steward

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Introduction

"I knew my kids would have a tough time.

They were growing up in literally an absurd amount of wealth," Melinda French Gates acknowledges. "It meant certain things were easier for them, but gosh, to follow a father who had been so successful and so known in the world? That is not an easy path."

Melinda French Gates is acutely aware that children of wealth live with both exceptional privilege and complex challenges to their well-being and family harmony. These challenges often surface within the landscape of the family office, where decisions about money, legacy, and values converge.

Family offices are typically designed to grow and preserve wealth in alignment with the vision and intentions of the wealth creator. Yet, decisions on how that wealth is invested, taxed, or distributed inevitably affect all family members, and can become sources of tension or conflict.

As families grow and diversify across generations, these decisions become increasingly complex. The needs of the individual may come into tension with the needs of the collective, and without deliberate attention to relational dynamics, relational risks multiply. Indeed, it is often these very dynamics – not investment strategy – that threaten the long-term success of a family office. According to UBS's *2023 Global Family Office Report*, 72 per cent of ultra-high net worth families now seek support in strengthening communication, alignment, and relational governance.

Introducing the relational steward

A relational steward can help navigate the complex interpersonal dynamics that often accompany family wealth. Within a governance structure, the relational steward complements the role of the wealth creator, often referred to as the principal, who is usually the

individual who built or accumulated the family fortune and who focuses on managing financial resources essential to the family's long-term prosperity.

While the principal approves major strategic decisions, including asset acquisitions or divestitures, and appoints or confirms members of the family office board, the relational steward serves on the board and chairs the family council. The relational steward is charged with fostering trust, communication, belonging, and shared purpose across generations. This role ensures that governance structures reflect not only hierarchy and function, but also humanity and connection. Like the principal, the relational steward is equipped with tools – a supportive team, and authority. They curate the tools and support systems, such as education programs and conflict resolution resources, to help a family flourish as a unit.

The principal and relational steward roles represent distinct yet interconnected domains of continuity: financial health and emotional wellbeing. When both are actively nurtured, strategically supported and funded, and consistently renewed, they drive a thriving family legacy across generations.

Without this balance, decisions guided primarily by a single perspective – whether financial or relational – may fail to fully reflect the family's diverse experiences and expectations, even when motivated by the best intentions. A more integrated approach – where the principal is supported by relational leadership – strengthens trust, fosters transparency, and helps preserve the relationships that underpin enduring family success.

How this new role changes the family office

Family offices have come a long way. Their origins were centered on managing wealth – investments, taxes, estate planning – and they've grown into some

of the most sophisticated and reliable entities for preserving and growing financial capital across generations. The level of expertise in this space is remarkable.

Families now have access to a global ecosystem of trusted advisors, investment professionals, and institutional-grade services that make the financial side of wealth management highly effective.

And this is precisely what is fueling the next evolution.

It is because of this maturity and the confidence that comes from knowing that the financial structures are in place that families now have the bandwidth to turn their attention toward something even more vital: the wellbeing of the family itself. There is a notable shift underway – from being passive clients of traditional banks and wealth management firms – to adopting a family office model, where family members take an active role in decision-making, communication, and stewardship of their collective assets and legacy. The change in models suggests that as families become more intentional about their legacy, they are demonstrating the need for deeper alignment, clarity, and cohesion (Amin Naj, 2025).

Data confirms that this shift is well underway. According to PwC's 2024 *Global Family Office Deals Study*, 54 per cent of US family offices now engage in impact investing – up from just 27 per cent in 2015 (4). Impact investing is an investment approach that seeks to achieve both financial returns and positive, measurable social or environmental outcomes. The growing interest in this strategy reflects a deeper desire among families to align their investments with their values.

This evolving landscape signals a broader redefinition of wealth stewardship across generations – one that goes beyond capital preservation to embrace human, social, and environmental responsibility. Families are expanding their purpose and reimagining what it means to manage wealth with intention. Investing with purpose calls for leadership that can help families discover, align, and articulate shared values – a role well suited for the relational steward.

Case Study

Case Study: The Reynolds Family – Living without a relational steward

For most of his adult life, Robert Reynolds assumed the lead role in his family's financial affairs. A successful entrepreneur turned investor, Robert viewed wealth stewardship as a responsibility only he could carry. His approach was methodical and transactional – he coordinated the attorneys, vetted the CPAs, and presided over the advisors with the authority of a CEO. Decisions were centralized. Conversations were sparse. No one questioned his judgment – after all, he built the fortune.

But underneath this well-intentioned control was a family dynamic unraveling.

Among the rising generation – nieces, nephews, and adult grandchildren – resentment simmered. Some thought they should be included in the decision-making. Others worried that there might be favoritism, and others simply wanted to know more so they could continue the family legacy. They simply did not know how to address these concerns, and they did not want to make waves. Furthermore, they believed that these concerns would or could not be addressed by the executives in the family office.

What was missing was not a succession plan or a trust document. It was something less tangible, but far more destabilizing: the absence of a relational steward. There was no one charged with protecting the fabric of the family itself. There was no recognized role responsible for healthy relationships, ethical clarity, or shared understanding across generations. Robert governed as principal in isolation, unaware that this isolation was undermining all that he had achieved.

The family felt disjointed. Those who wanted to help often did not know how. Robert's sisters – Julie and Margaret – frequently stepped in to soothe tensions or manage resentments when conflicts flared among siblings or cousins. Yet, they held no formal roles and had no seat at the table. Their efforts – organizing family gatherings, offering emotional support, and bridging generational divides – were viewed as natural extensions of who they were, not as acts of leadership. Their contributions, though essential, were invisible.

The family was not broken, but it was stuck. In the absence of a role that facilitated a shared language for family wellbeing – one that prioritized

relationships as much as finances – they struggled to address their concerns.

The solution:

The rising generation could not figure out how to effect change without it being misinterpreted as rebellious. After stumbling onto *The Sixth Level* (2023), a book offering a management framework based on the Ethic of Care, they found language to express their discomfort and a vision for how things could be better.

The book envisioned leadership as a practice of mentorship, inclusion, and collective strength. In this formulation, leaders derived their authority from mutual respect and appreciation, rather than hierarchy. At the heart of this framework was a set of principles – mutuality, ingenuity, justness, and intrinsic motivation – that could serve as guidelines for healthy interpersonal behaviors.

The rising generation brought this framework to the next family council meeting - not as an ultimatum, but as a possibility. They did not come to replace Robert; rather, they came to support him by offering a new lens that would contribute to family harmony. With thoughtful preparation and without presumption or demands, they asked: “What would it look like to formalize not just who manages the wealth – but who tends to the health of our relationships?”

To everyone’s surprise, the conversation was welcomed. Maybe it was because the language was not confrontational. Maybe it was because Julie, his sister, said little but met his gaze directly when they described her as the de facto relational steward – unacknowledged and invisible in her role.

Together, they developed “Guidelines for Healthy Family Conduct,” a set of principles, based on *The Sixth Level*, that would help all family members contribute to family harmony. Robert remained the principal, and Julie was formally named the relational steward, empowered to lead on matters of family dynamics, communication, shared values, and care. The roles were designed to be collaborative, ensuring that decision-making reflected both financial continuity and relational wellbeing.

Implementing the guidelines for healthy family conduct

The Reynolds family carefully implemented the four Sixth Level principles – mutuality, ingenuity, justness, and intrinsic motivation – that foster the ethic of care:

Mutuality: Emotional reciprocity

In the Reynolds family, mutuality began with a quiet act: the rising generation did not confront Robert – they invited him in. This gesture of respect across generational lines signaled emotional reciprocity. When Julie, the emotional glue of the family, was formally recognized as relational steward, her contributions were honored in full view. Mutuality paved the way for expressing self-in-relation, the practice of two-way empathy where family members intentionally exchange care and understanding, strengthening relationships and balancing the needs of the individual with the needs of the family.

Mutuality came to life when:

- Robert became open to feedback from younger relatives without defensiveness, recognizing their insights as grounded in care;
- Julie's long-standing concern for relational wellbeing was no longer performed in the background but became part of the family's governance process;
- The family prioritized cross-generational empathy, asking, “What does this decision feel like for each of us?” instead of “What’s the bottom line?”; and
- In embracing mutuality, the Reynolds family elevated everyone’s performance by normalizing trust, curiosity, and care.

Ingenuity: Reimagining family governance

By recognizing that healthy family relationships enhance successful wealth management, the Reynolds family invented a new governance role and behavioral guidelines.

Ingenuity resulted in:

- A structure that prioritizes both financial and relational leadership – co-stewards operating from distinct but interdependent roles;
- Clarity and validity around Julie’s creative ability to encourage participation in resolving family tensions; and
- An expanded governance model that reflects the complexity of family dynamics.

Justness: Balancing ‘Me’ and ‘We’

The chief challenge to wealth and family harmony is the needs of the individual versus the needs of the family. Justness helps guide these competing needs.

Justness was cultivated by:

- Actively engaging younger family members’ voices in the decision-making process;
- Offering a roadmap for all family members to foster family harmony. At its core, this approach emphasizes that each family member shares responsibility for being a relational steward – someone who actively contributes to a healthy and respectful family dynamic. The Sixth Level guidelines serve as a framework to shape behaviors and clarify expectations, helping the family align around shared principles of mutual respect, communication, and care;
- Providing clarity about roles and responsibilities through job descriptions that outline the deliverables and a mechanism for providing candid and constructive feedback;
- Introducing consistent methods that ensure equity and leads to accountability. All family members are held to the same standards when taking on the responsibility of a role; and
- Modeling transparency: “We don’t lie. We don’t conceal, and we don’t withhold for personal gain.”

Intrinsic motivation: Leading with purpose

Robert saw meaning in co-stewardship.

Consequently, the rising generation stepped forward, feeling emotionally invested in shaping the future and confident that their voices were valued.

Intrinsic Motivation showed up when:

- The next generation came prepared with ideas, context, and shared language to move the family forward;
- Julie accepted the Relational Steward role to fulfill a lifelong commitment of fostering family wellbeing; and
- Family meetings became more than updates – they became purposeful gatherings grounded in care, legacy, and long-term contribution.

When intrinsic motivation became the norm, governance was no longer a chore or a battlefield – it was an act of stewardship that each member approached with pride.

The compounded return of family wellbeing

When families formally embrace relational stewardship as a counterpart to wealth stewardship, a significant transformation occurs: each generation becomes more resilient and emotionally mature. This progress does not stem from the absence of conflict, but from a strengthened capacity to engage with, navigate, and grow through it constructively.

An advisor with over 30 years of experience in family offices, Richard Wolkowitz, observed that by aligning individual ambitions with family goals, each member is empowered to contribute, creating a legacy that is enduring, adaptable, and beneficial to all generations. A governance structure that includes both a principal and a relational steward offers a thoughtful response to this deeper question, helping families sustain connection, purpose, and cohesion across generations.

The most enduring families will be those who recognize that managing wealth is no longer enough. In a world of accelerating complexity, emotional and relational intelligence is not a luxury; it is a lineage strategy.

As Arianna Huffington said, “The way to make a difference is not by passing on wealth, but by passing on wisdom, empathy, and emotional wellbeing.”