

FAMILY GOVERNANCE

The First Trustee

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From *FFI Practitioner*

In this first article of a quarterly series in 2026, Jay Hughes and Keith Whitaker turn their attention to a pivotal but often underexamined moment: the experience of engaging a trustee for the first time. Drawing on decades of advisory practice, scholarship, and fiduciary service, they illuminate why the “first trustee” moment can profoundly shape family governance—either constraining it or opening the door to learning, alignment, and long-term effectiveness.

Using the metaphor of a play, the authors offer advisors a practical and deeply human framework for helping families navigate this transition with greater intention, clarity, and confidence.



This article examines the experience of a “first trustee”—that is, what occurs when a family has a trustee for the first time, or when a family begins, for the first time, to take the role of trustee seriously.

This moment is often decisive in the life of a family with significant financial wealth. Yet it is one to which many families pay surprisingly little attention, with the result that they miss important opportunities for learning, alignment, and effective governance.

We begin by briefly describing common features of the first-trustee experience. We then offer a framework that advisors may find useful in helping families engage more intentionally with this transition, specifically by reframing the experience through the metaphor of a play.

Perhaps the most important thing to acknowledge about a first trustee is the novelty of the experience itself. Most family members will not have experienced a relationship of this nature.



In the absence of a clear mental model, family members may try to understand the trustee in reference to more familiar relationships. As in, it's not a trustee. It's still Dad (or Mom), a spouse, a "married-in," or a family friend. If the trustee is a professional advisor, family members often continue to perceive that person primarily as "one of our advisors"—the family attorney, accountant, or investment professional. None of these frames, however, accurately captures the distinctive nature of the fiduciary role.

As a result, the first trustee frequently begins as the Invisible Trustee. This is particularly common in purely "ministerial" trust arrangements, in which the trustee's role seems limited to administrative function. In such cases, the trust functions as a technical instrument—designed to reduce taxes, protect assets, or constrain beneficiary behavior. It may operate as a shield, a carrot, or a stick. In practice, the instrument is often wielded by counsel acting for a grantor or beneficiary, while the trustee remains largely unseen, providing signatures and processing transactions.

For some family members, the Invisible Trustee later emerges as what might be described as The Shadow. The family interacts primarily with a familiar figure—a parent, sibling, aunt or uncle, long-standing family lawyer, or family office executive—yet understands that a trustee stands behind that person, like a shadow, intervening occasionally and often at moments of tension or conflict. In such moments, previously fluid or collegial conversations can become stilted, rigid, mystifying, and perhaps frustrating. No one feels at ease around The Shadow.

“The first trustee is rarely experienced as an independent actor in his or her own right—until suddenly they are.”

Whether invisible or shadow-like, the first trustee is rarely experienced as an independent actor in his or her own right. Imagine if such a trustee were to suddenly appear, "in the flesh," as a force of his or her own—perhaps around a proposed investment, a distribution request, or an administrative task such as providing notice to an estranged beneficiary. Imagine if the trustee's action were at odds with whomever wields power in the family. When such actions conflict with entrenched family authority, they can come as a shock, as though a previously unseen figure has suddenly materialized, "out of thin air."

Beyond recognizing the inherent unfamiliarity of the first-trustee experience, advisors can play a constructive role by helping families render that experience more explicit and workable. One effective—if unconventional—approach is to invite families to treat the trustee relationship as a kind of play, in which family members have a front-row seat.

In this metaphorical play, the audience and the actors overlap. There is no single producer, playwright, or director. Instead, responsibility for shaping the experience is distributed among family members, trustees, and advisors.

The practical question, then, is what makes this "play" successful. Based on our experience advising families, the following elements can help families—and their advisors—navigate the first-trustee transition more effectively.



Agree to Play

Advisors can encourage families to make explicit their shared commitment to participate in the play. Even without prior experience, family members can agree to approach their respective roles thoughtfully with curiosity, openness, and a willingness to see where they play may lead. Framing the process as developmental rather than merely technical often reduces anxiety and defensiveness.

Not every family is able or willing to “play together” in this way. Where the capacity exists, however, advisors can help families recognize and make use of it.

Identify the Roles

Much of the popular literature on trusts focuses on the *dramatis personae*, or main characters, particularly trustee, grantor, beneficiary, and, in more complex structures, trust protector, trust advisor, and so on. Families may also overlay these legal roles with familial ones—parent, child, spouse, sibling. In this play, some roles are ascribed by birth; others are assigned by choice or appointment.

Develop a Backstory

Every participant brings an implicit narrative about the origin and purpose of the trust. How was the wealth created? What values or sacrifices does it represent? How did it come to be held in trust, and for whose benefit? These narratives may be experienced as stories of success, loss, prudence, or control.

Advisors can help families recognize that these backstories differ across participants and that part of the work of the trust relationship involves making these narratives visible and intelligible to one another.

Sidebar



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Clarify the Characters'...Character

Advisors can also help individuals reflect on how they see themselves—and are seen by others—within the play. Simplified characterizations can be useful here: the Dutiful Steward, the Entrepreneur, the Skeptic, the Black Sheep, the Peacemaker.

How does each character relate to the trust? As a record keeper, a decision maker, someone who may be consulted about big decisions? How does each character think and talk about trusts? The world of trusts can seem like a kind of netherworld—mysterious and a bit intimidating—with its own secret language, hushed tones, serious faces, and even shame, embarrassment, resentment, or anxiety. Advisors can help clients recognize that they need not conform to inherited scripts if those scripts do not fit their character. Let the character drive actions.

Decide on a Genre

What kind of story is this? Each character must decide if this play is either comedy or tragedy. Families often operate implicitly within a narrative frame. Some experience the trust as a tragedy—marked by loss, constraint, or inevitable conflict. Others approach it as a comedy, in the classical sense: setbacks may occur, but the system ultimately supports continuity and resolution.

In our work we are frequently struck by how many trustees and beneficiaries default to tragic interpretations. Helping families adopt a more “comic” frame—without minimizing real risks—can materially improve trust administration and family relationships.

“Framing the trustee relationship as developmental rather than merely technical often reduces anxiety and defensiveness.”

Frame the Plot

The plot is the story—the action the characters share. Without trying to predict the future, the best approach is to agree on which foreseeable future events should be included in the plot. For example, when beneficiaries turn eighteen, twenty-one, or thirty-five, what is to be said and done? Likewise, what happens when beneficiaries get married or have children? Another plot twist may be a large discretionary request, or a required distribution, or even the termination of the trust. Framing these plot lines allow characters to improvise their parts in these storylines.

Talk About the Play

Do not worry about stopping the action and regrouping with the other characters to talk about the plot. That is what family meetings are for. Talking about the play is part of the play.

Keep Editing

No one likes a boring play. What can be done to enrich the story, bring out the best in the characters, and help move the plot in a positive direction? Bad character behavior can create suspense, but it becomes tiresome rather quickly. Encourage family members to think about their character. Who is this person at their best? What would this character say or do in these circumstances on a good day? Asking participants to imagine being on stage and delivering their performance—what will audiences remember from their words and deeds? Make them memorable for a good play.

Prepare for the Sequel

One of the pleasures of this play is that most certainly, from the outset, the sequel has already been greenlit. Most families do not have only a “first” trustee, but rather the first in a succession of trustees. The question now is how to set up the sequel to succeed. Does that involve working together to establish sound policies for record keeping, or clear processes for making decisions and communicating about them? Does it involve establishing a habit of regular family meetings that include the trustee? Part of the play is learning from the play. Ask the characters to consider what they are learning now that could help them make a wise selection of a second trustee in the future.



Join the Chorus

In Greek tragedies and comedies, a chorus would observe the action, sing about it, and sometimes help move it along. Advisors can encourage the players to come together at regular intervals (the end of each “act”) to celebrate their work, recount what has gone well and what difficulties have been faced and overcome. Over time, the chorus will grow in length and in the number of singers.

The ultimate aspiration is that, at meaningful milestones, trustees and beneficiaries alike can affirm that the trust has both preserved financial wealth and enhanced the life of the family it was designed to serve.

The Invisible Trustee

In many families, the trustee initially exists more as a function than a person—signing documents, processing transactions, and remaining out of view. This invisibility can delay important learning until a moment of tension forces the role into the foreground.

About the Contributors

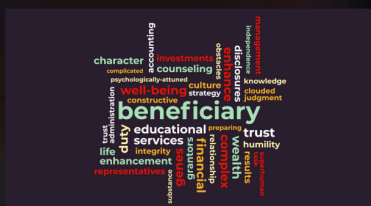


James E. Hughes, FFI Fellow, is the author of *Family Wealth: Keeping It in the Family*, and of *Family: The Compact Among Generations*, as well as co-author of many books in the field of family wealth. Jay was the founder of a law partnership specializing in the representation of private clients. In 2021, [The James E. Hughes, Jr. Foundation](#) was founded in Jay's honor.



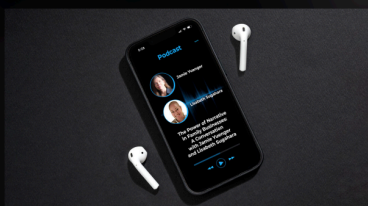
Keith Whitaker, PhD, is the founding director of Wise Counsel Research Foundation. An educator who consults with leaders and rising generation members of families with significant wealth, he also serves select families as an independent trustee.

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