

FAMILY WEALTH

Welcoming the Second Trustee

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From *FFI Practitioner*

The transition from a first trustee to a second trustee represents a pivotal moment in the life of a family system shaped by trusts. While technical considerations often dominate discussions of trustee succession, the human dimensions—loss, trust, identity, and renewal—are equally consequential. This article, the second in our 2026 series from Jay Hughes and Keith Whitaker, explores the emotional and relational dynamics that accompany this transition and offers insights for practitioners supporting families through this critical phase.



From First to Second

In the first article in this series on trusts as human relationships, we explored the unique dynamics surrounding the inclusion of a “first trustee” in a family’s life with wealth. That trustee often starts out as invisible or shadowy. We described how, with goodwill and a healthy dose of play, the first trustee may come to be a powerful, positive force for family members’ life enhancement.

What happens when the first trustee transitions his or her office to a “second trustee”? This scenario is critical to consider, as experience shows that almost all a family’s financial wealth flows into trusts by the second or third generation of a family’s life.[1]

For the purposes of this piece, we set aside the many technical considerations in a trustee transfer. These are highly important, but we focus here on the human and “qualitative” aspects of the change. The one transitional element we highlight is that the appointment of a second trustee often prompts the first serious accounting or trust compliance review in the trust’s life. These steps are an important piece of the trustee’s being in a position to account to the beneficiary.[2]

We also do not go into the many factors that influence the choice of a trustee, except to mention one, which we have explored in a pair of FFI Practitioner articles:[3] the beneficiary’s hope that the trustee’s management of the trust will truly enhance the beneficiary’s life. Let us assume that the second trustee has been chosen and has accepted this challenge.

“The trustee does not have goals;
he or she has duties.”

A Moment of Loss—and Opportunity

Often, the second trustee is no longer a family member. He or she may be the friend of a family member or, in many cases, an independent professional or the representative of a trust company.

Whatever the second trustee’s relation to the family, he or she is not first. In such a family, there have likely been, for many years, many trusts with many trustees. Those “first” trustees were probably better known for their primary roles in the family: Dad, Mom, uncle, aunt, Dad’s best friend, Mom’s attorney, etc. In many families, the trustee function does not come to possess its own distinct identity during the tenure of the first trustee.

Like Moses, who led the Israelites out of Egypt but died before seeing the Promised Land, so too the first trustee is often a transitional figure.

The first trustee's goodwill for the family is usually unquestionable. It is something money cannot buy but that takes years of shared work or life together to develop. "Does this new person possess that seed of goodwill?" is a fundamental question when selecting a second trustee.



The second trustee typically enters a family system when someone has died or is about to retire—that is, at a moment of loss. However wonderful the second trustee may be, his or her initial valence to the family may feel negative. The second trustee may be faced with replacing the irreplaceable.

This is one reason to mark the entry of a second trustee (and any further trustees) by ritual (itself a form of play). Ritual honors the past the group is moving away from. It celebrates the future the group is moving toward. It creates community, symbolically bringing the new trustee “into” the family. It can do so because, as ritual, it absolves the new trustee of the stain of loss and frees the community from the guilt of leaving the past behind.

The second trustee's appointment can also be a time of excitement and new possibilities. It may be time to launch long-considered or newly recognized plans for decanting, reforming, or terminating certain trusts. It may be time to enter into—or exit from—shared family entities. It may be time to become truly serious about enhancing beneficiaries' lives, maximizing the likelihood that future generations will live well with wealth. It can be an occasion for sharing more fully with adult beneficiaries the scope of the family's wealth. It can even be an opportunity to change the entire conversation about money in a family.

Sidebar



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Mutual Understanding

The appointment of a second trustee can achieve all these things—and more—but only on the basis of mutual understanding: of the family by the trustee and of the trustee by the family.

A second trustee typically enters a family long after things have become complicated. For a time, many complications were likely managed by the refrain, “This is the way Mom or Dad wants—or would want—it.” When that authority is gone, siblings or cousins must come to see themselves and one another in a new light—not merely the light cast by prior generations. They must decide—truly decide—whether to remain connected, in what ways, or to part, and how.

That is why a second trustee does well to spend time truly getting to know the beneficiaries and helping them get to know him or her. Ideally, beneficiaries can come to speak honestly with the trustee about themselves and their family, as they would with a trusted friend. The purpose is not merely to seek advice but to educate the trustee so that he or she can act with informed judgment.

One of the main things beneficiaries can learn from a second trustee is that the trustee is not an agent. A beneficiary and trustee may discuss goals, but those goals belong to the beneficiary—not the trustee. The trustee does not have goals; he or she has duties. The trustee's standard is the law, not personal preference—whether the trustee's or the beneficiary's. The trustee's "goal," if it can be called that, is to fulfill these duties, placing the beneficiary's well-being above all else.

The second trustee must also understand that many beneficiaries raised among trusts and trustees see trusts as “accounts” and trustees as “advisors.” The difference often becomes clear only in moments of disagreement—over investments, communication, or distributions. These moments raise fundamental questions: Why do I still have a trustee?

At its core, the trust relationship is about having someone who will, in serious matters, exercise good judgment in the beneficiary's best interest. If that understanding takes hold, a beneficiary may conclude: "The trustee is not doing what I want; he is doing what he believes is best for me." Trust relationships hinge on such realizations.



A Welcoming Family

The potential for conflict or “growing pains” highlights another significant opportunity: the chance to affirm the family’s identity as a “welcoming family.”

As Stacey Allred, Mary Duke, and Jay Hughes describe in *Family Flourishing: The True Meaning of Family Wealth* (forthcoming, 2026), families that endure across generations cultivate the courage to welcome. Those welcomed include spouses or partners, rising-generation members, extended family, trusted advisors, and successors to those advisors.

Welcoming is an act of vulnerability. It requires compassion for those entering the system—as they learn the family’s stories and conflicts—as well as self-compassion and curiosity. It is as generative as birth itself.

The appointment of a second trustee is an ideal moment for such welcoming. The trustee must come to understand the family, and the family must come to understand both the trustee as a person and the role of trustee as an institution. This moment also allows recognition that the trustee joins not merely as an advisor, but as someone committed to contributing to the family’s flourishing over generations.

Imagine the power, for both the family and the trustee, if family members can say, as part of the ritual of celebrating the second trustee’s appointment: **“We welcome you to our family with open hearts, love and will, and with deep appreciation for your choosing us.”**



“The second trustee may be faced with replacing the irreplaceable.”



References

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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. The 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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