MONEY & MEANING

EXPLORING OUR COMPLEX RELATIONSHIP WITH WEALTH

In the world of wealth management, there is great emphasis on growing financial wealth, strategically placing the wealth in the right vehicles for tax and estate planning, creditor protection, multi-generational wealth transfer and so on. Wealth management has historically been a technician’s game of minimizing what “Uncle Sam” gets when someone dies, how best to move assets during life with as little transfer costs as possible and how to protect the beneficiaries of the wealth from both external creditors and self-sabotage. These are laudable goals and important considerations when working with families of substantial means. However, no matter how meticulously structured the estate-planning vehicles, studies show that the wealth can nevertheless dissipate within three generations.¹

Why is that? Although there are — thankfully — stories of well-adjusted families who have wealth, many families experience the darker side of financial prosperity. Heirs to significant fortunes may struggle with dependency (both financially and in terms of alcohol, drugs, etc.), distrust of others, entitlement syndrome, loss of self-esteem, depression, lack of motivation, and any number of other challenges. Wealthy families can end up in conflict that damages — and sometimes destroys — relationships because of disputes over shared wealth, the wealth-generating business, or inheritances considered unequal or unfair.

There are no easy solutions to the foregoing scenarios, but there are beneficial practices successful families have used that may provide insight into how to mitigate negative aspects of wealth. First, we have to recognize both the conscious and unconscious money messages we have received from our peers, role models and cultural surroundings over time. We then need to step back and take a look at our individual and our family’s shared values and how those values have informed the money messages and our behavior. Because money is still one of the last taboos for discussion in our society, it is also important to purposefully remove the veil of secrecy and have candid conversations about wealth and its meaning within the family system. Moreover, it is important to recognize the impact of money messages received over time and how they affect behavior regarding wealth.

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MONEY MESSAGES

Money is one of the few universal human experiences that cross all manner of cultural boundaries: we have all at some point experienced the exchange of currency for goods and services, and we subsequently all internalize “money messages” that affect our relationship with wealth. Perhaps you grew up in a family that never discussed money and therefore believe you did not receive any money messages. However, the absence of family conversations about money is a message in itself — usually that discussing finances is impolite, or that money is shameful and to be concealed. Moreover, nonverbal messages can be communicated through the actions of your parents, friends, or other role models. What are their spending patterns? What kind of clothes do they wear, homes do they live in, schools do they attend, or cars do they drive? What are their vacations like, and how often do they take vacations? And as you think about the answers to these questions, what kind of memories and emotions rise to the surface?

People often model their own financial tenets on those of their role models. For example, if your role models were very frugal — they didn’t buy the most expensive car, live in the most expensive home or buy the latest and greatest electronics the minute they hit the market — it is likely that you will be more frugal as well. If your role models lived a lavish lifestyle, it would not be unusual for you to feel you should also. If your role models were visible in their charitable giving, you may emulate that same behavior through your own philanthropic endeavors.

But money messages can also be more circuitous. Maybe your parents used to shower you with gifts when they had been away from the home or working late in order to assuage feelings of guilt; in such cases, you may have come to believe that money buys happiness, or that money is synonymous with parental love. You may have watched all of the effort and time your parents put into creating and sustaining the family business, and your instinct now is to reject your inherited wealth because you did nothing to earn it and therefore do not deserve to use it. These messages — although largely unconscious — do affect how we relate to money and how we interact with the wealth in our everyday lives.

It is also hard to deny the messages from our cultural surroundings, particularly movies and television. Money/wealth is often associated with evil/greed, while the poor/less fortunate are seen as good/pure of heart. Consider classic characters like Ebenezer Scrooge of A Christmas Carol, Mr. Potter of It’s a Wonderful Life, or the more contemporary Mr. Burns from The Simpsons. Charlie and the Chocolate Factory features rich, spoiled children pitted against the pure-of-heart Charlie Bucket. And two of the most successful young adult book franchises in history (which were adapted for equally successful film franchises) feature the contrast between the “haves” and the “have nots”: Harry Potter (the evil, wealthy Malfoy family versus the kind, poor Weasley family) and The Hunger Games (the wealthy Capitol versus the poor Districts). Money messages are all around us.
MONEY & MEANING

BRINGING IT BACK TO VALUES

So for those of us who have internalized negative money messages, how do we internalize more positive conversations about money that inform a healthy and constructive relationship with money? Not to mention, how do we accomplish this feat when the family wealth is large enough that family members do not have to depend solely on their own efforts to be financially secure? A common practice is to start by defining the values the family shares and cares about, which will inform the use of the family’s wealth over time.

The exploration of finding the consensus values in the family is a process that first allows each family member to think deeply about what he or she cares about and what motivates his or her behavior and then allows the family to spend time discussing and ultimately agreeing on common values that will guide the family’s decision-making regarding shared assets. For example, where a family agrees that generosity is an important value, it would not be unusual to see some of the shared wealth dedicated to philanthropic endeavors. Where a family agrees that education and self-sufficiency are important values, the family may decide that every family member should be able to attend private school and/or attain a college or post graduate degree, with the intention that such education will allow each family member to pursue a career that provides them with economic independence. In all of the above situations, the meaning of family money is placed in context and it becomes a means to an end, rather than the end in itself.

Where values are expressly communicated and modeled, the money messages are not as easily garbled or misinterpreted. Conversations are not enough, however — actions do speak louder than words, so it is important for behaviors to reflect the articulated values. A parent who asks a child to be generous in giving and yet does not model the words through his or her own giving sends a mixed message. A role model who talks about frugality but practices “retail therapy” and spends extravagantly is not modeling the behavior articulated by his or her words. In this context, the old maxim “do as I say and not as I do” is not helpful in clarifying what money message is intended to be communicated. It is not enough to “talk the talk” — one must “walk the walk” for those values to be internalized.

In her book, A Wealth of Possibilities, Ellen Miley Perry describes healthy families as those who:

“...generally have well-defined, clearly articulated, life affirming values. In such families, values are discussed openly, lived enthusiastically, constitute the organizing principle of family life, and define the nature and quality of many family relationships... I have come to believe that openness, clarity, and intentionality about family values for wealthy multi-generational families is sin qua non for flourishing.
YOUR FINANCIAL IDENTITY IS FLUID AND SUBJECTIVE. THE MORE YOU EXPLORE YOUR MONEY IDENTITY/STORY AND BECOME CONSCIOUS OF THE MESSAGES YOU’VE RECEIVED, THE MORE CONTROL YOU WILL HAVE TO CHANGE YOUR MONEY NARRATIVE. FOCUS ON OPEN, FREQUENT AND POSITIVE COMMUNICATION ABOUT WHAT MONEY MEANS AND DOESN’T MEAN IN THE FAMILY, AND ADHERE TO THE VALUES OF THE FAMILY IN WORD AND DEED, REINFORCING OR CREATING POSITIVE MONEY MESSAGES THAT WILL ENHANCE YOUR AND YOUR FAMILY’S RELATIONSHIP TO MONEY.

#### TYPES OF MONEY SHAME FOR WEALTHY FAMILIES

<table>
<thead>
<tr>
<th>Type</th>
<th>Description</th>
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<tbody>
<tr>
<td>Alienation</td>
<td>Others assume you’ve had everything handed to you on a silver platter and throw epic/unfair judgments and projections your way.</td>
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<tr>
<td>Entanglement</td>
<td>Family money often arrives with strings attached, complicating the already challenging process of getting to know yourself and becoming your own person.</td>
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<tr>
<td>Guilt</td>
<td>Who are you to have these resources when others in the world are struggling or even starving? You’ve been given so much, but do you deserve it? Are you worthy?</td>
</tr>
<tr>
<td>Fear</td>
<td>Will you ever be able to accomplish enough, share enough, or make a big enough difference in the world with this money?</td>
</tr>
<tr>
<td>Self-doubt</td>
<td>Could you have made it on your own? Could you ever truly be self-reliant and earn a living by using your own talent, hard work and intelligence without help?</td>
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#### CONCLUSION

Your financial identity is fluid and subjective. The more you explore your money identity/story and become conscious of the messages you’ve received, the more control you will have to change your money narrative. Focus on open, frequent and positive communication about what money means and doesn’t mean in the family, and adhere to the values of the family in word and deed, reinforcing or creating positive money messages that will enhance your and your family’s relationship to money.

1 “Failure” defined as heirs involuntarily or unintentionally losing control of the transferred assets. Data: The Williams Group, 2005.


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