

Family Wealth Series II : Post #2

Franklin Karibjanian & Law PLLC



This series is devoted to the intersection of estate planning and well-being theory. It builds on my 2017 Family Wealth Series dedicated to using family wealth as a resource to support achieving full potential and flourishing.

THE NORDIC MODEL INFORMS U.S. FAMILIES

By Richard Franklin

Nordic model to life satisfaction

At the end of June, my wife, Claudia, and I attended the [10th European Conference on Positive Psychology](#) in Reykjavik, Iceland (Claudia spoke on “Stepping into Art as a Positive Intervention”). This conference reinforced an idea that we have written about previously – i.e., that families could learn important lessons from the Nordic countries to improve family well-being.[1]

You can think of these countries (Finland, Denmark, Norway, Sweden, and Iceland) as being the “control group” in a study of human flourishing because they are consistently ranked in highly respected annual reports as the happiest places to live in the world.[2] That is good news as you do not have to invent the proverbial wheel. There is a model to follow to incrementally and over time improve your family’s well-being.

An impressively large number of conference participants came from the Nordic countries, many of whom were employed by their respective countries’ governments (civil servants, public health professionals, professors, researchers, psychologists, counselors, and school teachers). They attended to present, learn and take back ideas. The societal intentionality to improve well-being was apparent!

Critical elements

During the conference, [Dr. Frank Martela](#) of Aalto University, Finland, explained that citizens of the Nordic countries are consistently happier and are more satisfied with their lives because (i) they enjoy a strong, government-provided support system, (ii) they benefit from democratic and well-functioning governments, (iii) they trust their government and fellow citizens, and (iv) they have the freedom and autonomy to make their own important life choices.[3] Others have referred to the Nordic model as an effective combination of free-market capitalism and social benefits.[4]

The Nordic governments' support system includes pensions, income maintenance for ill or disabled people, unemployment benefits, healthcare, education, and public transportation. It also includes labor market regulation to prevent exploitation. Nordic countries have made their citizens less vulnerable to economic insecurity. Research demonstrates that these elements improve well-being and life satisfaction.

People in the Nordic countries have high levels of trust in their governments, both in their democratic qualities and their delivery of services. This trust also improves well-being.

Freedom to make important life choices is also a hallmark of the Nordic countries. "[T]his sense of freedom is the result of three factors that feed into each other including material prosperity that liberates people from scarcity, democratic political institutions that liberate people from political oppression, and more tolerant and liberal cultural values that give people more room to express themselves and their unique identity."^[5]

Emulating the Nordic model

The suggestion is that by emulating the Nordic countries your family members may have better well-being and be more satisfied with their lives. U.S. families could by analogy step into the Nordic governments' shoes to help create the circumstances that allow family members to thrive.

[Post #1](#) explained that we are now helping clients create a well-being framework as part of their estate plans. This includes long-term plans aimed at improving family member well-being. The Nordic countries' model helps to inform the framework. Of course, the family framework is individually tailored and designed as the family deems best to help create the foundation to flourish.

More information

For more information on how to orient your estate planning to a well-being model and add more positive emotional enthusiasm to your planning, see our [Family Wealth And Inheritance Services](#) page or contact Richard Franklin, rfranklin@fkl-law.com, (202.495.2677) or your FKL attorney.

Notes:

[1] For an extensive discussion of this topic, see Claudia Tordini & Richard Franklin, [Wealth and Well-Being - What Wealthy Families Can Learn from Sovereign Government Policies and Measuring Human Progress](#), Bloomberg, Vol. 46, Estates, Gifts and Trusts Journal, Number 3 (May 13, 2021).

[2] See the country rankings in the United Nations' annual World Happiness Reports – e.g., [2022](#).

[3] For an extensive discussion of these points, see World Happiness Report 2020, Chapter 7, [The Nordic Exceptionalism: What Explains Why the Nordic Countries are Constantly Among the Happiest in the World \(2020\)](#) ("Nordic Exceptionalism").

[4] See Investopedia's definition of the [Nordic Model](#).

[5] See Nordic Exceptionalism at footnote 42 (citing Inglehart, R., Foa, R., Peterson, C., & Welzel, C. (2008). Development, freedom, and rising happiness: A global perspective (1981–2007). *Perspectives on Psychological Science*, 3(4), 264–285. Welzel, C. (2013). *Freedom rising - Human empowerment and the quest for emancipation*. New York: Cambridge University Press.).

DISCLAIMER: This writing has been prepared by Richard S. Franklin for informational purposes only with no warranty as to accuracy or applicability to a particular set of circumstances. The writing is not intended and should not be considered to be legal advice and does not create an attorney-client relationship with any reader of the information. Readers should not act upon any content without obtaining legal advice from competent, independent, legal counsel in the relevant jurisdiction. This writing is also not designed or intended to provide financial, tax, accounting, or other professional advice. The reader is cautioned that this writing only provides a general discussion, that critical information may be omitted, and that any idea or strategy discussed herein may not be suitable for any particular individual.