

In prior posts, I addressed the reasoning behind preserving family wealth as a way to help children and future descendants reach their full potential and also provided ideas for implementing the approach. In this post, I outline the core thinking behind the approach I recommend.

Positive Approach

In my initial Post #1, I proposed that the goal of wealth inheritance should be for children and grandchildren to reach their full potential – self-actualization – rather than just being productive and engaged. This idea is based on the writings of humanist psychologist Dr. Abraham Maslow. For wealth holders surveying the landscape of possible ways to dispose of accumulated wealth while fulfilling this “full potential” goal, I suggested an approach that is positive and inclusive. Towards that end, I further suggested working inclusively with the children over the arc of the wealth holder’s life to establish a framework that accomplishes two things: preserving the wealth as a tool in support of the inheritors reaching their full potential, and preparing the inheritors to be financially, socially and psychologically responsible and self-aware. It is my belief that this approach, built on a foundation of positivity, is more likely to create circumstances in which inheritors function and thrive at a higher level.

Why is positivity so important and what justifies it being at the core of this approach? The answer is that deep inside, humans are positive in nature—and to engage this positivity it’s necessary to reach into those depths of being.¹ The core desire of wealth holders is for their inheritors to have engaged and meaningful lives. This natural desire reflects love and positivity. The approach to family wealth and inheritance planning should reflect that same depth of love and positivity. Therefore, in this dynamic, the wealth holder and inheritor are connected at their core, positive to positive.

It is worth noting that working with the children is, in itself, an inclusive act that typifies the belonging level on Dr. Maslow’s chart of needs. The parents in this paradigm are showing trust

¹ C. Rogers, *ON BECOMING A PERSON*, p. 73, Houghton Mifflin (Boston 1961). Yes, in case you are wondering, I reject the idea promoted by philosopher Thomas Hobbes that humans are selfish and brutish at their core.

and faith in the children by bringing the children into the discussion and mission. The need for belonging is a two-way street, and by taking this step the parents are including themselves, too.

Even if parents positively engage with their family to preserve the wealth through the generations as part of a comprehensive strategy to convey a sense of love and belongingness, the plan might fail to produce the desired result. The favorable circumstances that allow a child to develop his or her full potential can exist, but the child must – of his or her free will – consent to the actualization of that potential. The parent does not control that part.

By focusing on the positive, which the preservation approach supports, the descendants are more empowered by the acts of their parents. This shifts the focus to the child's role and away from the parents. And maybe, just maybe, the fruits of the preservation plan will help the children reach their full potential.

There are risks posed by inherited wealth, which can broadly range from low self-esteem, delayed emotional development, poor motivation, boredom, guilt, and feelings of alienation and being “less than” others because the wealth and position have not been earned. As mentioned in Post #6, a proactive family can educate and engage to minimize these risks. After all, we have learned to lower stress through yoga, meditation, and exercise; lower the risk of cancer by diet, physical activity and early detection; and on and on. Surely a family can use education to mitigate the risks associated with inherited wealth.

Three final suggestions:

Engage. Be engaged and deliberate – few great projects (think the Duomo's foundation) are accomplished by happenstance. It's hard work. Don't dwell on the past, but engage now, in the present, to design and develop the conditions for future generations to flourish.

Communicate. For many parents communication is difficult, especially with other family members, regarding values, wealth, finances, inheritance and related issues. But communicating with difficulty is better than not communicating. Listen to the TED Talk entitled “Your body language may shape who you are” by Harvard Professor Amy Cuddy, and fake being a good communicator until you *become* it.

Get Help. For numerous reasons, you shouldn't do it alone. When feasible, assemble a team of advisors, such as financial planners, investment advisors, trust & estate attorneys, psychologists and counselors. A good team can help facilitate the approach and keep the project on track.

This concludes my Family Wealth Series. I hope these posts have helped you consider family inheritance in a new light!

Richard Franklin
rfranklin@fkl-law.com
Twitter @richsfranklin

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FRANKLIN KARIBJANIAN & LAW PLLC

1101 17th Street N.W., Washington, DC 20036

(p) 202-857-3434 | (f) 202 -463-3060 | www.fkl-law.com