Privacy vs. Secrecy
By James Grubman

When working with individuals and couples with wealth, I have found it useful to point out the distinction between what is private and what is secret. In American society, we often confuse the two concepts, and society itself gives mixed messages about privacy and secrecy. A rule of thumb to distinguish the two is to ask: is this fact about me important in this relationship at this time?

Consider this example: you are about to inherit $1 million. This is a personal fact that you may or may not wish to disclose to everyone. If you are simply friends with someone, you may wish to consider the issue private. It would be reasonable to maintain this personal information to yourself or to disclose it, depending on your reading of the friendship and whether you hope to deepen the relationship by disclosing something personal. However, let’s say you owe that person $50,000. Your inheritance is now highly relevant to the relationship. Keeping your newfound wealth private turns it into a secret that has potential implications within the relationship itself. Important information kept secret in a relationship is not only stressful to maintain but usually damaging in various ways. All secrets involve private information, but what makes them secrets is that the withheld personal information is important to actions in the relationship.

We all have the option to keep information about our financial status private. Keeping it private from some people or in some situations does not automatically mean we are keeping it secret. Healthy privacy is good—just think of anyone you know who seems to have no problem with privacy about personal matters. Continuing to maintain too much privacy about our financial status potentially impacts the closeness of the relationship.

There are several sources of confusion about the difference between privacy and secrecy. On one hand, there are some cultural pressures to consider nothing private and to label refusal to disclose private information as always being secretive. Some cultures place much more value on privacy than American society does, with less pressure to disclose personal information unless the relationship truly warrants it. At the same time, we get overwhelming messages in our society not to talk about money, to be suspicious of bringing wealth disclosure into relationships, and to hide wealth because of the shame connected to it. The difference between privacy and secrecy is also very blurry in dysfunctional families. Usually, dysfunctional families—even wealthy ones—have so many secrets and so little healthy privacy that the rules are very confusing. There are so many secrets, such as alcoholism or abuse, which are required to be kept secret alongside issues of wealth, which are really simply private. Therapy can help redefine the guidelines about what is just personal and what are really secrets.

Figuring out in a specific relationship how to talk about wealth is affected by this background confusion about privacy versus secrecy, and this can make the decision very difficult. So, when considering whether to disclose information about wealth to someone, try to evaluate whether the information is simply private (where disclosing is optional, depending on your beliefs or values) or a secret (where not disclosing is an action that brings risks to the relationship). You may also want to give some thought to your general views on privacy versus secrecy. How you discuss information about wealth may have more in common with your decisions about disclosing other personal matters than it does about discussing wealth.

Private

Private information is personal information that requires a level of trust to disclose.

■ Choosing to disclose it involves risks of being accepted or rejected as a person because of the judgment of the person you are telling.

■ No action may be required by you or the other person as a result of the disclosure.

Example: You choose to tell a friend that you are rich. He is pleased you told him and glad for you. Nothing else changes.

Secret

Secret information involves information relevant to the relationship itself between you and the other person.

■ The reason to disclose it is to affect decisions or actions that may be taken by you and the other person.

■ Not disclosing the information is risky because actions might be changed if the information were known.

Example: You choose to tell your girlfriend you are rich, since you have been discussing getting married. You talk it over and decide to go ahead with the marriage.

How Open Should I Be?

Internal conflict is often exacerbated by people’s individual psychology. People who grew up with harsh and shaming parents, or who experienced trauma, abuse, or neglect, may carry shame as part of their own individual trauma. When the person comes along, the shame gets attached to the money. For example, if I had a client who was both an inheritor and a very successful businessperson. Although she was very generous with her money philanthropically, and with her friends and family, she could not spend it on herself. She could not buy even an average-priced winter coat and did not understand why. As we explored her history, she learned she was a survivor of sexual abuse. As we untangled her feelings of shame and undeservingness in therapy, she became more able to spend on herself and be more open about her wealth.

Socio-politically, of course, there are legitimate reasons to resist abusive and domineering upper classes who, politically or economically, have made things hard on people with less money. However, there is no legitimate reason to transfer anger toward a class of people to a single individual, and that is what people with wealth often do. When someone with wealth experiences shame or guilt for what their socioeconomic class has done to others, this compounds any other individually-based shame they may be experiencing. In such cases, I suggest that people work with their emotions so that they can be clear about what is motivating their actions—their genuine political views and values, or undeserved feelings.

Two Approaches: Educational and Therapeutic

There can be both positive and negative motivations for being open or private about wealth. For example, the desire to avoid harassment is healthy and may lead some to be more private about their wealth. Others may find practical solutions to avoid the same problem and choose to be more open. People have different personality styles, which may lead them to different choices, and that needs to be respected.

When the majority of the issue comes from external sources, the approach can be more educationally based. For example, a woman may be hesitant to tell her fiancé her net worth because that may lead to a pre-nuptial agreement. The fiancé likely will have given no thought to that. How will the agreement be structured? What are relevant laws regarding ownership of wealth once they’re married? These kinds of consequences can be anticipat- ed and prepared for. When more of the issue comes from internal sources, an educational approach may be insufficient and people may need a more therapeutic approach.

In my view, the goal is to make the most conscious and integrated choices you can with your money, so that the way you use your money is the greatest possible expression of your true being.

From a conversation with Danielle Geroff