

## Supporting Resiliency in the Rising Generation - Courtney Pullen

10/17/17 NCFP Community Foundation Workshop presentation

(Tony Macklin notes)

Three top reasons of the 90% failure rate across 3 gens ("shirtsleeves to shirtsleeves in three generations" adage)

- 1) breakdown of communication
- 2) lack of preparation of heirs (technical and emotional)
- 3) lack of governance or decision-making structure

### Slide 2 – The challenges of wealth generation & inheritance

- Wealthy people are the one group that it is still OK to make fun of publicly. See this new article <https://www.onefpa.org/journal/Pages/OCT17-Why-We-Hate-Rich-People.aspx>
- But many inheritors have guilt about how their wealth was created. One client described himself as a "member of lucky sperm club".
- Remember that wealth pulls people together in ways that will feel artificial to family members.

### Slide 3 – Family systems theory

- Our roles and behaviors in our family carry across functions (family vacation, family business, foundation/DAF). We create permanent files on each other and don't allow each other to overcome the history of mistakes.
- Tip: Remember that people who can get along at home for short spurts may not be able to function in an organizational environment (what you observe in the short-term can be a temporary truce or facade).
- On top of any tough family dynamics, financial transparency is tough - how we deal with money is part of our core identity.
- CF staff have to constantly be checking your biases brought in from your roles in your family - do you naturally favor the underdog, avoid high-powered conflict, defer to the matriarch, etc?

### Slide 4 – These three things help build resiliency in family:

- Connection (without it is failure to thrive) balanced with individuation
- Purpose - Key to success is finding own purpose in life
- Contribution - Driver to make difference in world

### Slides 5 & 6 – Investing in dreams and aspirations of rising generations

- Courtney heard in interviews of founding generations: "We need to be careful how we involve the kids in our philanthropy, we want them to find own paths first." And "I know my name, you need to find your own name." These tracked with the three things that help build resiliency.
- Tip: CFs have to be careful not to force multi-generational conversations too soon. Better to first help the individuals find their paths of generosity – in age appropriate ways. Courtney didn't think kids were developmentally ready to participate in a family meeting until later teens. They're typically ready for strategy conversations or to speak from their own individual identity.
- Tip: Good question for donors and fund advisors: "Who are two people who helped you become who you are - invested in you as an individual? How did they do it? What did they do?"
- CFs can also:
  - Help create non-family peer groups – so younger gens can learn skills, individuation outside of family
  - Offer volunteer/donor opportunities through separate from the family foundation

- Help everyone reflect on his/her aggregate giving and impact
- Provide context to their initial ideas (community knowledge, data, relationships)
- Help normalize their experience in struggling with wealth and being generous ("other families like yours are struggling with this too...")
- After some time of building trust, gentle challenging of family's perspectives

#### Slides 7-10 – Stages of wealth integration

- People who find their way to your CF may most often be when in "empowerment" mode
- Sometimes in denial mode (continuing to hide wealth, being nervous about it)
- Families will often have mistaken ideas about philanthropy fixing the entitlement, or the dissatisfaction/denial

#### Slide 11 – Honoring life transitions

- CF staff can watch for these stages of transition after a death, shift in leadership power etc.
- Recommended book "*Transitions: Making Sense of Life's Changes*" by William Bridges (he has other books on transition too)

#### Slide 12 – Characteristics of transition stress

- Recommended book "*Sudden Money: Managing a Financial Windfall*" by Susan Bradley (she trains advisors on managing human dynamics of financial transitions)
- Tip: Keep this framework in mind as your talking with a family, watching them in action. You're not a psychologist, but you can at least normalize what they're going through
- Example: The wealth creator or spouse tend to want to hold onto role as "family glue". If there's a sudden death, the remaining spouse or a child is thrust into that role, but not prepared for it. We need to give space to that person - even a year - especially because attorney or wealth advisor will keep throwing docs at them. There's a common problem of the eldest son showing up to take over for dad, displacing mom's right to be a decision-maker.

#### Slides 13-14 – Dealing with communications problems

- Disagreement fires up our amygdala and we respond in 4 ways – fight, flight, freeze, appease.
- We tend to focus on competing methods instead of focusing on sources of shared value
- CF staff can help the family coming back to shared purpose (the source of value)
  - Tip: Ask "why" three times - why do you want this? why is that important? tell me more about why... It takes a while to reveal what's really the important motivator.
  - Then define hoped-for outcome before getting to methods
- Tip on finding family purpose: Courtney's experience is that it is easy to create consensus or buy-in at a family values retreat, but it is also easy for that to be temporary. You have to talk with individuals beforehand to prep them for: what it would take for the values statement to last a long time, what would happen if there's disagreement, etc.

#### Slide 15 – Ladder of Listening

- CF staff can monitor self in the conversation - Are you listening for essential purposes, intersections of purpose? Getting beyond own confirmation biases?

Slide 17 – Ten Habit of Healthy Family Culture (also see the handout) – Didn't have time to dive deeply into these.