

CHAPTER 1

Coping with Inherited Wealth: An Overview

There are many reasons to build and maintain a personal fortune. But suppose one's wealth is adequate to assure a high standard of living for the rest of life? Then the question arises: Why keep amassing more money, particularly if this requires a good deal of effort and interferes with enjoyment of the fortune they've acquired? One of the more common reasons—and one that is socially sanctioned—is to provide opportunities, comfort, and security for their children and their children's children. Obviously this is a fine and a worthy thing to do. What caring parent doesn't want his or her children to be secure, comfortable, and to have all of the opportunities and rewards that affluence can bring?

However, a growing number of parents as well as inheritors are increasingly questioning the assumption that inheriting wealth results in happier, more fulfilling and more productive lives. A substantial amount of evidence reveals that receiving wealth doesn't always work out that way. Many people who grew up in affluence, knowing that they could expect to receive without effort all that they needed and perhaps considerably more, have found that this hasn't been an unmitigated blessing. Too often they are not very happy or fulfilled. Sometimes they are depressed, anxious, lost, and dispirited.

The noted Swiss psychiatrist, Carl Jung, counseled a rich young person in this way: "You have acquired a false security, and it is this false security on which you live that causes your feeling of inferiority. One lives wrapped in cotton, protected from the cold and the heat. It is not good never to be cold or hot." He then went on to tell this story about one of his clients: "A famous composer had a friend, a patron, who had given him a beautiful villa and had guaranteed him an income and an opulent life. The composer composed nothing anymore. After some time he comes to see me. 'I am obsessed by a dream: I have received a mortal wound, I bleed profusely and nothing can stop the hemorrhage.' I counsel

him: 'You have become too rich, give a part away.' Violent denials. Some time later the patron stops a part of his contributions. A great shock for the composer. Six months later he had composed a very good opera.”

I am not suggesting that inheriting money is always an unfortunate experience and that the kindest thing that wealthy parents could do for their children is to cut them off with little or no inheritance. The good news is that some people who receive substantial wealth from their families do very well with it and lead happy, creative, and satisfying lives. It is both interesting and useful to look at the successful examples—to learn what their parents have done, what other circumstances have operated, and what the children have done for themselves.

With these sorts of questions in mind, I engaged in a five-year study, inspired and funded by a wealthy man who was concerned about the effects of inherited wealth on his own children as well as others. While the project was aimed at identifying and understanding of some of the problems, which can accompany substantial inheritance, its primary purpose was to seek ways in which these difficulties can be eliminated or ameliorated.

In the course of this study I interviewed some thirty wealthy parents and inheritors, counseled some of them, perused the available literature (which was surprisingly scant), and participated in the supervision of two doctoral dissertations on inheritance issues. In addition I interviewed and talked with a considerable number of psychotherapists about the special problems that inheritor clients bring to them and their insights as to how these problems can best be avoided or dealt with. I also brought my own background to this study, having grown up in moderate affluence and in a community largely populated by the truly wealthy. Since completing the study I have been a consultant to wealthy individuals and families on these issues, and this book also reflects what I have learned in my consulting practice.

A MODEL OF PSYCHOLOGICAL DEVELOPMENT

In looking at the difficulties that often afflict young inheritors, it is useful to keep in mind the psychological development of a person and the stages of growing into a reasonably whole human being. Erik Erikson was a highly respected psychoanalyst and authority on the process of human development. He concluded that certain tasks need to be confronted in the course of maturation. Each is experienced as a crisis that, if resolved, leads to healthy development; if not, then the person is, to some extent, psychologically damaged. Many persons are unable to deal with these challenges when they first come up, but do manage them, to an extent at least, later in life. But some don't.

In his *Growth and Crises of the Healthy Personality*, Erikson proposes the following tasks need to be completed by the developing person, more or less in the order that they ordinarily arise. For each he also describes the consequences of failure to meet the particular challenge. I shall mention each of these briefly to provide a framework for understanding what can happen in the development of the inheritor.

The first challenge that Erikson describes is developing an attitude of **Basic Trust**. This is defined as "... reasonable trustfulness as far as others are concerned and a simple sense of trustworthiness as far as oneself is concerned." Failure to achieve basic trust results in an attitude of mistrust.

The next challenge is to achieve **Autonomy** or "...a sense of rightful dignity and lawful independence." Failure to experience this sense of autonomy leads to shame and doubt, a feeling of being "...completely exposed and conscious of being looked at..."

The succeeding crucial task is to feel able to take **Initiative**, "...to be self-activated...in the free possession of a certain surplus of energy that permits him to forget failures quickly and to approach what seems desirable (even if it also seems dangerous) with undiminished and better aimed effort." Not achieving a sense of initiative leads to pervasive feelings of guilt.

The next life crisis unfolds around **Industry** or the ability to learn and to accomplish. This has both a solitary aspect—to be able to achieve by oneself—and a

communal aspect—to be able to work, and to play, with others. When not experienced, the outcome is often a sense of being inferior.

The last of Erikson's developmental stages requires meeting the preceding challenges fairly well and is that of acquiring a clear sense of our **Identity**. Simply stated, this is knowing who we are and being reasonably comfortable with this awareness. It means that we neither feel the need to conform to the expectations of others or to rebel against them.

PROBLEMS THAT OFTEN ACCOMPANY INHERITANCE

Building upon Erikson's insights, below are my observations on the challenges that often accompany substantial inheritance. I describe important problems that often accompany inheritance, reasons why these problems are likely to occur, and helpful suggestions for both parents and inheritors.

Self-esteem is often diminished

Often, children of wealth are unable to fully value or to admire themselves, and this results in considerable suffering. This is not surprising, since the experience of gaining inherited wealth can interfere with mastering Erikson's developmental tasks that are essential for true self-esteem.

Achieving what Erikson calls "Autonomy" is particularly crucial for a sense of personal adequacy. It is often difficult for inheritors to value their accomplishments or to take much satisfaction in them since they suspect their successes are partly the result of their inherited wealth and position. Instead of feeling autonomous, many feel a lack of confidence that they could achieve anything significant or that they would be liked and respected by others if they were not affluent. These self-doubts are often reinforced by the behavior of others who resent the good fortune of the inheritor.

One form of low self-esteem that is found especially among some inheritors is the

fear of failure that is related to difficulties in meeting the tasks that Erikson called "Initiative" and "Industry." This is especially true in the area of vocation. If a person has never had to earn their living they don't really know that they could. Often this fear prevents individuals from taking the initiative and the risks required for vocational achievements. Understandably, self-doubt is often exacerbated when their parents have been notably successful in their lives and work.

Inheritors are often delayed in their emotional development.

A substantial inheritance often results in delayed maturation. Like the butterfly that never develops adequately if it gets external help breaking out of its cocoon, many inheritors are spared important life challenges. The crises and challenges that Erikson postulates as necessary for healthy development of the personality can be avoided, diminished or delayed by the person who is protected by the comfort and security that money provides. As Jung describes, they are "wrapped in cotton." Just as body-builders and athletes say "no pain, no gain," intellectual and emotional development seems also to require effort in overcoming challenges and ordeals. Protecting the inheritor from life's traumas and stresses not only inhibits development, it can also serve to dampen the whole quality of their life experience. In limiting pain we almost inevitably cut off some of the delight at the other end of the spectrum. I am not suggesting that rich and over-protected children never grow up, but often they do so more slowly than those whose lives are more difficult and stressful. Most of us don't mature any faster than we absolutely must and inheritors are more able than most to avoid or delay the process.

Inheritors often lack strong motivation.

Lack of incentive is both the cause and the result of failure to meet adequately the challenges that Erikson calls "Industry" and "Initiative." This can be a particular problem in choosing and following careers. A large inheritance can make it difficult to sustain an interest in and a commitment to anything that requires intense and continuing effort and the

endurance of ambiguity, setbacks, and frustration. Often the goals of inheritors—in work and in other aspects of their lives—are not well defined or strongly desired, and this makes it difficult to mobilize their efforts to pursue these goals. This is particularly true when goals are set by their parents and aren't truly those of the inheritor. Certainly there are notable exceptions to this but inheritance may also be a challenge for many who are driven by a need to prove that they are not just lucky inheritors. Despite such exceptions, the motivational drive of those who inherit wealth is often short-lived and/or not very intense.

Inheritors may have difficulty with self-discipline.

Inheritors often find great difficulty in focusing their energy on pursuits that have meaning for them, and then sticking with these long enough to obtain truly satisfying outcomes. Self-discipline requires concentration and focused energy, as well as the ability to postpone gratification in the interest of rewards that are ultimately more satisfying. These qualities often seem incompatible with the silver spoon—which suggests immediate feeding. Self-discipline is necessary not only for work, but also for significant relationships and life-enhancing experiences such as psychotherapy and the quest for spiritual development.

Many inheritors are bored by their lives.

Boredom isn't surprising as a rich, young person's existence and activities often don't seem very real or very intense. Nothing matters that much. Lack of commitment leads to waning interest, which often results in carelessness and irresponsibility in work and in relationships. The results (or lack of results) of such behavior ultimately turn back and intensify the boredom. Ennui is one of the more painful consequences of failure to meet the developmental challenges as they arise. In turn, boredom often leads to misuse of alcohol and other drugs, and to self-destructive behavior.

Inheritors often have difficulty in the use of power.

One of the principal ingredients of a life that is lived well is the appropriate and effective use of one's power, both situational and personal. This is related to Erikson's belief that people must learn to take initiative and to express industriousness. Power presents a particular peril to inheritors since they haven't earned it themselves and often don't feel entitled to it.

The special world in which inheritors grow up can be insulated from the competitive arenas in which power is normally exercised. They often have problems, not only with the power that comes to them by virtue of their wealth and position, but also with the personal power within themselves. Inheritors may be extreme in the ways they handle power: avoiding it and denying its reality, or exercising it arbitrarily and self-servingly, riding roughshod over people as an over-compensation for their sense of inadequacy and confusion. Either course can make it hard to work and live with others.

Inheritors often suffer from guilt.

One of the best-known prices that many pay for inheriting wealth is guilt. They find it hard to accept unmerited good fortune and may not be able to find ways to prove themselves worthy of it. When a person has not played much of a part in creating their favored place in the world, it is hard not to keep wondering, "Why me?" The kind of maturation that is developed in meeting the task of "Autonomy"—knowing who one is—can ameliorate this sense of guilt and make it both more conscious and more tolerable. Still, it may not be possible for the inheritors of substantial wealth to escape some of the burden of feeling guilty. Such guilt can be experienced and expressed in ways ranging from feeling abjectly apologetic for their good fortune to being arrogantly contemptuous.

Inheritors often experience alienation

Wealthy people generally, and inheritors especially, are often afflicted by feelings of separation. Many of the rich feel different from other people. Particularly if they were born into affluence, they find it hard to understand the lives and experience of those in more

ordinary circumstances, and they are equally convinced (with some validity) that the others can't understand theirs. They may choose to associate almost entirely with their economic peers. But it's still difficult to escape the sense of being alienated and different from most people.

Inheritors are often suspicious

Erikson pointed out the crucial importance of developing a sense of trust as the first of the developmental tasks and one that is a prerequisite to all the others. But the rich tend to see other people as not to be trusted, often for quite good reasons. Many of those they encounter want something from the affluent person and are ready to manipulate or use him or her for their own purposes. Wealthy people sense that many who are less well off resent their favored status, particularly if it is inherited, and this resentment often takes the form of thinly disguised anger. All these reasons can add up to one of the most painful and damaging aspects of inheritance—difficulty in believing that people like and appreciate them just for themselves. Mistrust often gets in the way of developing true friends and living and working companions.

Men and women inheritors face different problems

While many of the difficulties that confront inheritors are likely to be common to both females and males, some are not. Generally, young men are more apt to have trouble with career choices and achievements, while young women have even more difficulty than men (or non-wealthy women) in establishing their credibility and competence. A woman who puts on seminars for women who have inherited, or expect to inherit, substantial wealth says: “Women face unique problems with inherited wealth that has mostly to do with their being left out of the decision-making process. The older men and the brothers in the family have traditionally been given that responsibility. Men have tended to be much more involved in the family business than women. We're sort of kept in this 'You needn't worry about this, dear,' posture.

SOURCES OF THESE PROBLEMS

If there's nothing intrinsically wrong with wealth, even if it is inherited, then why do so many inheritors exhibit these painful and unfortunate symptoms? There are a number of reasons for this and some of them are within the power of the wealthy to do something about and some are not.

The affluent encounter negativity from others

Among those causes that can't be helped are the attitudes that the affluent run up against in those who are less fortunate. As we have seen, these include envy, anger, and resentment and often an objectionable obsequiousness. Many middle-income people find it difficult to behave normally in the presence of those they regard as “rich.” Also, inheritors have difficulty getting a sympathetic hearing for their troubles. Most Americans seem to believe that if they only had enough money and the things it can buy, then they would live in a state of constant bliss. Consequently they tend to respond disdainfully to any indication of suffering by the affluent, particularly if these are people who didn't earn their fortunes. When I talk about my work, I often hear less affluent persons say, “I wish I had those kinds of problems.” And it's clear that the media delight in reporting the tribulations and foolishness of the rich.

Our cultural values often make life difficult for the inheritor

Another source of difficulty is that many have absorbed the Judeo-Christian-capitalist tradition that places great value on self-reliance and earning one's own way. These values can oppress the inheritor in more or less subtle ways. Also in this heritage is the value of egalitarianism and the assumption that everyone should have equal opportunity—politically, in the exercise of power; economically, in the possibility of rising in the world; and psycho-spiritually, in opportunities for personal development. The inheritance of

affluence is quite contrary to this and is a painful reminder that, as a culture, we do not live what we profess.

Too many options can cause problems.

Another difficulty that often afflicts inheritors is the availability of too many choices in life. We assume that we want as many options as we can have, because one of the curses of poverty is limited opportunity. But many persons cannot cope well with having so many possibilities and choices. A plenitude of options can be paralyzing and can make it very difficult to develop the capacity to make sensible and intelligent decisions.

It is hard to be sure you could live without your inherited wealth.

An underlying and rarely conscious cause of the problems that can beset inheritors is the fear of losing their wealth. If we have never had to support ourselves, never had to make our way in the world without the security of a sizeable fortune, then it's hard to be confident that we could do so if this became necessary. This produces a gnawing fear of what might happen if the money were to somehow disappear. No matter how irrational this might seem, the underlying feeling can be what's been called “the bag-lady syndrome”—a sense of panic that, “If I lost my money I could never survive. I'd die.” Surprisingly to those who are not wealthy, this can even afflict inheritors who have substantial fortunes.

A related problem is fear of failure. One may not grapple with challenges if they feel unsure they have what it takes to surmount them. A failure to develop what Erikson calls “industry” can be especially painful and limiting for the young persons whose parents were exceptionally successful and for those who grow up under the burden of excessive parental expectations. Being viewed as “rich” can interfere with personal development and creativity.

Even when the wealthy have developed themselves with talent, competence, and taste, they still must overcome pressures to substitute money for their own services. These pressures are both from within (it's easier to write a check than to do hard work) and from

without (people often seem to want their money more than their talents and energy). For example, when the wealthy involve themselves in charity and cause work, they're usually expected to provide and to raise funds, and this often interferes with recognition of their personal abilities.

Inheritors often don't receive good parenting.

It is unfortunately true that many wealthy parents are neglectful of their children. Because they tend to lead busy and active lives, they may wish to spare themselves the stress and messiness of bringing up young ones. I've heard so many sad descriptions of growing up with parents who substituted material gifts for love and attention.

Also, affluent parents are able to purchase childcare from servants and boarding schools. The servants and the schools may be fine in many ways but they are still surrogates and they cannot provide the kind of personal attention and caring that are so needed and wanted from parents. When parental care and love are faulty or inadequate, it's hard for the child to deal with the first of the tasks of maturing—learning to be trusting.

A related difficulty is that some rich parents are too intrusive in the lives of their children. Parental concern for the family fortune can result in excessive interference in their children's lives and this not only diminishes trust but also keeps the children from maturing properly.

It is hard to be part of a dynasty.

Particularly in families with an established tradition of wealth and position, high parental expectations are a major force. Many such families raise their children, generation after generation, with considerable pressure to achieve and maintain very high standards of excellence—personally, socially and vocationally—and to maintain and grow the family fortune. While this can operate quite constructively for some inheritors, for others it can be very burdensome, even counter-productive. This is particularly true when the same standards are applied to all the children, regardless of their individual capabilities and

interests. A particular struggle for inheritors is establishing their own individual identity, rather than being seen primarily as members of a wealthy family.

Considering these perils and pitfalls can seem quite discouraging to wealthy parents and their children. It is not hard to understand why thoughtful, wealthy parents may believe that their fortune could best be bequeathed to worthy charitable causes, saving their children from the kind of misery and stress that inheritance often brings. Some very well known people of wealth have made such decisions, giving their children a good education and then turning them loose with little or no inheritance to find their own way in the world. However, I see such decisions as being quite unfortunate.

From my own experience, and that of many I've known, inheriting a substantial amount *can* be a truly wonderful blessing, not a curse. It provides the inheritor opportunities to choose among career options, some of which may not be income producing. Being able to select a vocation in philanthropy, social service, teaching or the arts is a wonderful privilege that wise parents can offer their children.

We all know or know of inheritors who seem to have made it, who have not only survived that experience without visible scars but have even used their good fortune to enhance their own lives and to contribute to the world around them. What accounts for their benefiting from their inheritance, when some don't? The suggestions that follow are based on observations of individuals and families where the inheritance process seemed to be handled well.

SUGGESTIONS TO WEALTHY PARENTS AND THEIR CHILDREN

It is important for parents to be thoughtful about how much to leave their children as well as when and how they leave it. A range of alternatives exist regarding how much should be available to the children and when they should have access to it. Many wealthy parents have decided that the young people will have to support themselves, at least partially, if they want to live in the style to which they have become accustomed. Others

choose to make capital, as well as income, available quite early in life. An important caution here is that when parents make these decisions, it's important that the children know what is going to happen and that they understand the reasons for it. As one wealthy parent put it: "It's not right to bring them up on steak and then make them switch to hamburger."

Good child rearing is especially important for inheritors.

Thoughtful and caring parenting provides the kind of love, training, counsel, and examples that support development through the various stages of childhood and adolescence. It is particularly important that both parents provide quality time for the children and serve as good listeners, really trying to hear what their children are saying to them. Wise and loving nurturing are crucial for those who grow up with the paradoxical problems that can accompany the anticipation of a lifetime of security and comfort.

A particularly important task for the affluent parent is to teach children to endure the frustration of delays and disappointments and to resist the temptation to quit when things aren't going their way. Setting good examples is vastly more effective than simply telling young people how to behave. "Do as I say, not as I do," may be appealing to parents but it is not effective as teaching.

The pitfalls of bringing up children in wealth, and with the anticipation of being affluent, are sufficiently thorny and subtle that many parents will be well advised to seek professional help. For some this will mean psychotherapy for the parents and professional help for the children. Others will choose to seek the guidance of someone who specializes in the difficulties that can afflict inheritors.

Parental surrogates can play significant roles.

Inheritors often talk of servants providing a crucial role in their growth. While wise parents will avoid the danger of delegating too much of the responsibilities of child rearing to employees, they must recognize how much influence these people have in the development of their children. Servants are usually peripheral to the lives of the parents but

children, who are more restricted in their life space, experience them as important and highly valued relationships. People who grew up with servants often speak of the deep pain they suffered when retainers who had been important figures in their lives suddenly disappeared, either by dismissal or resignation. Unfortunately this often happens without adequate or even truthful explanations to the children, leaving them puzzled and pained.

It is important for parents to give serious consideration to the selection of servants and to use care in observing and evaluating them in their relationships with the children. Many people have reported experiences of cruelty and neglect by servants that were simply not noticed or taken seriously by their parents. Also, the ways in which parents treat servants inevitably guides their children, for better or for worse, in their future relationships with employees and with non-affluent people.

Young people often have important relationships with other adults who serve somewhat as parental figures for them. These include teachers, counselors, scoutmasters, athletic coaches, family friends and others. Wise parents will encourage the formation of such relationships between their children and those adult surrogates who have a beneficial influence on them. Although they will do what they can to discourage those connections that do not seem helpful to the children, they will need to be careful that they don't disapprove of such relationships simply because they involve people of different backgrounds and values.

Inheritors must be taught sound attitudes toward their affluence.

It is important for wealthy parents to teach their children constructive ways of living with their wealth. This starts with the parents themselves being relatively comfortable, clear, and balanced about their own wealth, free of both pride and shame about it. Parents need to start with a good look at themselves, searching out their own attitudes toward affluence and what comes with it, and then working through whatever they find that is unresolved, as best they can, in order to avoid contaminating their children. Parents need to demonstrate healthy and appropriate ways of using money wisely, avoiding the extremes of

profligacy and penury. The manner in which parents manage their own money inevitably serves to teach their children about ethical and psychological values far more than what the parents tell them.

One factor that seems to distinguish those who function well with inherited wealth is that their parents have dealt with them openly and straightforwardly about money. As with sex, children's real questions about the family fortune and their own prospects should be responded to directly. In my research and consulting, I found it remarkable how few inheritors felt their parents really did this for them. If the wealth and its eventual transmission to the children are dealt with covertly by the parents—as so many parents used to avoid the topic of sex—children are apt to see the money as something dark and shameful. This makes it less likely that they will be comfortable with themselves as inheritors.

Also, if their parents won't talk with them about this topic, children will take this to mean they aren't trusted, which may lower their self-esteem. This doesn't mean instructing toddlers about financial statements, but it does suggest being attentive to children's questions and sensitive to their growing ability to deal with such matters.

Parents are often uneasy about dealing with their young children's questions about financial matters (e.g. "How much money have we?" "How much does Daddy make?") I find that using these questions as an occasion for conversation can prove richly rewarding. Parents may want first to explore with the child what the real question is. It may be a search for security: "Are we going to be all right?"

When parents decide a child isn't ready to be told about certain matters, it's important that they let her or him know that the information will be forthcoming at some reasonably specified time in the future. Most importantly, children should never be made to feel that any question is bad or illegitimate and that there's something wrong with them for asking it. As they mature the children are likely to want to know more and more about the family fortunes:

Where did the money come from (including whether it's from the father's or mother's side and which generation made it)?

How large is the fortune?

How much, when and under what conditions (trusts, etc.) can they reasonably expect to receive for themselves?

Children also need instruction, both verbally and by example, as to how money is to be used. Parents should keep their growing children aware of some of the pitfalls and problems associated with wealth, particularly by drawing their attention to individuals and families who are handling their money and position, either especially well or quite badly. As they become more able and interested, children should participate in discussions of the kinds of obligations and ethical issues that accompany affluence so that they can see their fortunes as carrying certain responsibilities to the society in which they live.

It is valuable to familiarize children with the use of money when they are quite young, starting with such things as allowances. An allowance should be seen as the child's right, not as a reward for good behavior, subject to being withheld as punishment. Nor should the child's allowance require the performance of chores. Sharing in the work of maintaining the household should be established as a condition of being a member of that household and not reimbursed by money. On the other hand, it is often helpful to pay children to perform tasks beyond what is expected of them as family members.

As they grow older, children can learn by experience about budgeting their expenses, handling their checking accounts, dealing with credit cards, and the consequences of fiscal irresponsibility. Paid summer jobs are almost always a good idea, for a number of reasons, including helping the children to believe that they really can support themselves. Ideally the children should find their own jobs, without help from their parents.

Rich children particularly want a sense of their heritage.

All children, and especially the wealthy, benefit from a sense of family pride, and instilling this is another parental responsibility. Wherever the money originally came from, the children want to feel good about it and about the people who made it, managed it, and in whose line they are. What's important is that they grow up feeling that they have a background of which they can be proud and that there are admirable traditions to uphold. In those situations where the fortune was made in ways that are difficult to justify, I can only suggest candor and a clear commitment on the part of the parents to use their affluence in socially responsible ways.

Choosing schools involves important and thorny decisions.

It is difficult to generalize since the right choice is a very individual matter and depends on a number of factors, including the nature of the family and the particular qualities of the child. The big decisions are public versus private and, if the latter, day schools vs. boarding schools. The advantages and disadvantages of each, in terms of intellectual as well as psychological, emotional, and social development, are too complex to go into here. These are not easy choices. For one child a private boarding school, some distance from home, may be the right choice at a particular point while going to a local public school may well be appropriate at some other point. Employing an educational consultant to provide information about schools and to help in the decisions is often a wise move.

One temptation for parents to avoid is to pressure the children to enroll in schools that one of their parents attended. Also, if a boarding school is chosen, it's essential that this be discussed so that the child is not left with the feeling that the parents are just getting rid of him or her.

Involving the children in these decisions, particularly as they grow older, is always a good idea. It is important that they participate in the considerations that led up to the decision, and that their points of view and feelings were heard and respected (although not

necessarily followed). Being active participants in decisions that affect their lives can be very helpful in alleviating some of the problems that can accompany being a passive inheritor.

The transmission of wealth is a complex and individual issue.

At one level this is a matter of practical economics: minimizing income and inheritance taxes, preserving capital through sound investing, and safeguarding the fortune against such contingencies as bad marriages, foolish investments, extravagant spending, and unwise loans or gifts by the children. There are tricky ethical and psychological issues involved and the decisions that are made as to how the money is to be preserved and transmitted have important effects on the children's attitudes toward their parents, their feelings about themselves, and their ability to deal with their fortunes as they gain control over them.

Wills and trusts are a complex and perilous territory. The tax laws are now so arcane and complex that an attorney who specializes in such matters should craft anything beyond the simplest estate plan. It is important that children be kept informed from childhood and that their wishes and concerns be heard and considered. The importance of this two-way communication can hardly be overestimated. I have been pained and shocked to discover how rare it is for parents to be open with their heirs in dealing with this topic. I often encourage daylong meetings of the parents with those children old enough to participate meaningfully. When tensions are rather high or conflict is anticipated, it can be most helpful to use the services of a skilled and neutral facilitator. Often children learn about the amounts and conditions of their inheritances only after their parents' death, and this is generally detrimental to their personal well being as well as their ability to manage their fortunes responsibly. Surprises in this circumstance are never a good idea.

It is generally very helpful to heirs to be given control over some significant portion of their inheritances at reasonably early ages. Being kept on an allowance serves not only to inhibit development, it also conveys a clear message that they are not trusted.

One system for transmitting an inheritance that has been used successfully by some wealthy parents is to make some fraction (perhaps one-third) of their inheritance available to their children at a rather young age, say twenty-one, with the understanding that a second third will be turned over to them after they've demonstrated some ability to use it responsibly, and then the final third held back until it's quite clear, to the parents and/or trustees, that the inheritor is mature enough to take responsibility for it. This also minimizes the likelihood of their losing too much of their inheritance through foolishness or naiveté.

Parents sometimes use the promise of inheritance as a means of coercing the children to behave “appropriately”. While tempting, this sort of manipulation is a danger to be avoided; it's almost always destructive. While it's true that inheritance should depend on some demonstration of ability to handle the money responsibly, there is danger in the use of this kind of power to force the child to dissemble and to deny his or her true nature.

Another obvious caution is that the parents' distribution of their wealth among their children must be fair to all. This doesn't necessarily mean that they are treated equally, but when the distribution isn't equal, it's important that they all understand the reasons for the differences and can accept this without undue resentment.

Sound career choices are crucial and difficult for inheritors.

Following in parents' footsteps is often a mistake, particularly when they have been exceptionally successful. If the young person tries to compete with a parent, it's likely to be a painfully losing proposition. It is hard to maintain intensity of motivation and interest when bringing in more money feels meaningless and not of benefit to anyone. For such children, choosing a vocation in the arts, sciences, philanthropy or the academic world may offer an attractive and satisfying answer. Success and achievement in these fields are less likely to be seen by others as well as themselves as unmerited and due to the family fortune and status.

In seeking a career that can be both challenging and rewarding, many affluent people have found satisfaction in fields that transcend the world of the material such as

philanthropy or public service. Such vocations can fill lives with meaning and excitement, providing wonderful opportunities for creativity. Andrew Carnegie discovered that it was easier to make money than to give it away wisely. Inheritors can serve actively in family or other charitable trusts, and they can involve themselves as board members or volunteers for various service, advocacy, and charitable organizations.

In seeking a career that can be both challenging and rewarding, many affluent people have entered the realm of the aesthetic. The wealthy have unique opportunities to relate to the artistic world—as creators, as patrons, as collectors, or simply as appreciators. In a world that seems to be growing increasingly tasteless and ugly, such a career can offer special opportunities for satisfying work, particularly for people who can bring to it not only their affluence but also rich cultural backgrounds and knowledge.

It is important for young, affluent persons to find work in which they are not identified as different, and where they have opportunities to prove themselves simply on the basis of who they are and what they do. In short, it is important for them to succeed on their own merits.

In order to attain a sense of success and competence in the world of work, the inheritor must be willing to stay in the situation long enough to have a chance to surmount the obstacles and setbacks that are bound to occur. This means fighting against the tendency of many inheritors to resign or make other shifts when the level of frustration and discouragement becomes very high. One of the differences between those who made fortunes and those who inherited them is just this—the builders have both the willingness and the ability to hang in when the going gets tough. Inheritors often haven't had much experience of slogging through difficult and frustrating times, and it's hard for them to recognize the value of enduring such pain when it can be avoided.

Successful inheritors work at their own personal development.

Psychological and spiritual growth are essential for everyone but is particularly important for the affluent because of their need to find meaning in their lives beyond the

materialistic and competitive realms. Also, they are likely to have more leisure to ponder, to be concerned about, and perhaps to do something about these aspects of their lives. Wise parents will provide guidance here, as well as seeing that their children have opportunities to develop in these ways. Parents can assist their children growing up without a sense of stigma regarding psychotherapy. They can encourage them and give them opportunities to explore different forms of psychotherapy. Neither therapy nor particular therapists should be imposed on the children but they can be encouraged to seek their own when it seems to fit for them. A number of the inheritors with whom I have met have testified to the importance of these experiences in their lives.

It is important that both parents and children view psychotherapy, not as the treatment of illness, but as a life-enhancing experience, a significant element in their education for living. It is important to emphasize how valuable a wise, skilled and understanding psychotherapist can be. Good therapy can be profoundly useful in helping young people find their own answers to existential questions they must answer if their lives are to have meaning. Therapy can be of great help as inheritors struggle with the special problems that confront them.

One challenge to be watched is the tendency of some inheritors to view their therapist as a servant. When the experience becomes difficult and unpleasant (as it will) they may choose to terminate it ("fire the therapist"). Also, it is important to find a therapist who is neither awed nor antagonized by their wealth.

I also recommend similar attitudes for spiritual development and practices. For some this could mean a conventional church-oriented religion and for others a more individual way. As with psychotherapy and its ramifications, parents teach partly by example and partly by encouragement and by making opportunities available. All of us find life more fulfilling if we have at least some sense of reality and significance beyond that which is just physical and rational, and this is particularly true for the rich who usually find that material abundance just isn't enough for a satisfying life.

Relationships are a crucial element in a good life

Friends and associates who are not resentful or envious and who do not wish to exploit the relationship can be very helpful in coping with the challenges of wealth. These may be people who have enough money themselves or who, while not especially well off financially, have lives sufficiently full that they can relate to the affluent person simply and directly, without flattery or manipulation, and free of resentment or envy.

Inheritors need to know they can function without their money.

My observations show that those inheritors who seem least damaged by their good fortune are the ones who have proven to themselves that they are competent, worthwhile, and don't need the family money to lead successful lives. These are people who have dealt successfully with the developmental challenges that Erikson describes, who have achieved Basic Trust, developed their sense of Autonomy, learned to take Initiative, developed a capacity for Industry, and come to a sense of their own Identity.

To achieve all this, rich young people need to have some experience at earning a living so they can feel confident that they can support themselves and not be dependent on inherited wealth. Parents need to encourage this, and actively help their children learn to support themselves and to feel confident in their ability to do so. Such self-confidence can only come from experience.

An attitude of stewardship is of great value to the inheritor.

Children of affluence should be taught about charitable giving from an early age, verbally as well as by the examples of their parents. In my discussions with inheritors, as well as in the research I've done, it has been striking to observe the correlation between an attitude of using wealth in socially responsible ways and having a sense of comfort and satisfaction with being affluent. In addition to philanthropy, investing their funds in companies that they see making positive contributions to society can be very rewarding to the inheritor as well as to our world.

One wealthy young woman wrote me: "Between some positive family influence and encountering new channels for handling/utilizing money, I've been feeling better about it all the time. Most recently I've been working with a financial planner who specializes in 'Socially Responsible Investing', which makes the 'burden' of wealth quite palatable, even fun."

Giving or investing to benefit society can provide inheritors with a sense of meaning and purpose and help them to realize that they are valuable and worthwhile members of society. It can also offer areas of learning and involvement that keep them interested and excited, as well as providing the kind of joy—cited by all of the great spiritual teachers and guides—that accompanies the act of giving.

Inheritors need to take risks with people.

A certain amount of suspiciousness is certainly realistic and appropriate for the wealthy, but when it is too pervasive and excessive it limits their lives severely. They will usually find it worthwhile to risk making favorable assumptions about love partners, friends and associates and entering into true commitments in these relationships. While such risks will expose them to the possibility of being hurt, they can open opportunities for full and rewarding relationships. Erikson postulates *trust* as the primary achievement necessary for psychological maturation, and here is one aspect of life where it can be nurtured and tested. Sometimes this will result in disappointment, disillusionment and pain, but the rewards can be sufficient to make the risks worth taking. And it's almost the only way really to learn to tell which people can be trusted. Here again parental examples of willingness to risk appropriately can be most helpful.

Many inheritors will be parents of inheritors.

One of the major challenges facing inheritors as they move into adulthood is that of raising their own children. It has been interesting and encouraging for me to see how often young people free themselves from the problems that tend to accompany inheritance when

they become involved with the challenge and the excitement of raising their own children.

Wealthy young parents who feel wounded or diminished by their experience of inheritance can approach the nurturance of their children as a challenging opportunity to break the negative pattern of past generations. Such parents often find great meaning in helping their own children to avoid some of the pitfalls and problems that they experienced. They can also find great satisfaction in seeing their children grow up less troubled by these problems and with sound values. They will also be aware that whatever they are able to accomplish with their children will probably be passed on to subsequent generations.

Peer groups are helpful to many.

Self-help groups that bring together people who share certain problems or situations are proving to be of great value to more and more people. In many communities there are groups for those who have inherited or expect to inherit wealth. These groups deal with a variety of problems and questions, including investment, charitable giving, and the kinds of issues discussed in this paper. Inheritors may find benefit in exploring existing groups of this kind and, if they don't find any that meet their needs, they may start their own. An experienced and trustworthy facilitator (who is not a participant) can be very helpful in creating a group that serves its members. Among other contributions, a skilled facilitator can help to provide an atmosphere that feels safe to the participants, can keep the discussion fruitfully centered, can ensure that all participants are heard, and can stimulate productive participation.

CONCLUSION

Inheriting substantial wealth is neither an unadulterated good nor a catastrophe. Problems do come with it, but an awareness of these problems, by caring and thoughtful parents and by the young people themselves, can go very far toward ameliorating them and making it possible for inheritors to live lives that are full, creative, and satisfying.

Confirmation of the idea that inheritance can be a blessing and not a curse can be seen in these quotes from two famous and wealthy fathers. President John Adams wrote to his wife, Abigail, in 1780: “My sons ought to study Mathematics, Commerce and Agriculture, in order to give their children a right to study painting, poetry and porcelain.” Of course, one of these sons, John Quincy Adams, also became one of our Presidents. In his book, “The Jameses”, R.W.B. Lewis writes about Henry Senior whose idea was to raise his children in what he called “an atmosphere of freedom,” giving them every opportunity for expansion without expecting them to produce anything in particular. The achievements of his two sons, William and Henry James, made them major figures in psychology/philosophy and in fiction writing.