

Shifting Sands and Wise Solutions

Sand. It is nature's weakest building material, yet nature builds with it successfully.

Periodically I travel on business to places with large bodies of water — the Great Lakes, the East and West Coasts. Everywhere I catch a glimpse of shorelines and sandbars — some only slightly changed by the passage of time, while others dramatically altered by violent storms.

There's a mystique about sand. It's the prime metaphor for time's passage. It's totality immeasurable. Yet, a mere grain of sand can temporarily blind a person or bring a high-tech jet engine to a grinding halt.

To be sure, grains of sand can be counted. Sand is essential for making concrete. Sand is used to polish and shape some of mankind's hardest materials. Because sand is mainly comprised of quartz crystals — and quartz is primarily silicon dioxide, which has the unique physical property of being piezoelectric — sand is the primary building block of circuit boards and computer processors.

While there's a mystique about sand, there are also eternal truths: Castles built on sand do not last. Loosely cupping your hands to hold sand is fine, but try squeezing it into submission — it disappears through your fingers.

Surely many of us love sandy beaches, the sound of waves rolling on to the shores, and the shimmering colors of sand, sea, and sky. The shifting sands of time are temporarily placed on hold. Yet change is ever constant, even if subtle.

And sometimes, change is not subtle! As Americans, we've just witnessed a major shift in our Executive Branch. The Presidency is the big shifter of our Democratic sands of time. Every

four or eight years, our national psyche is jostled.

It's disconcerting, exciting, anticipatory, energy-draining or frustrating — depending on your point of view, your belief system, and your vision of the past and future.

It commands our attention.

In families as well, a similar economic, emotional, social and even spiritual shifting takes place. It can be very disconcerting, exciting, anticipatory, energy-draining or frustrating, producing feelings of instability, powerlessness and confusion.

Families experience this during major transitions such as death, birth, divorce and other emotionally taxing events — even positive ones.

The biggest transition for most families is the death of the patriarch or matriarch. — Especially when the family started with little and built a legacy that can shape the economic well-being of the next two or three generations.

When you lose a prominent family member, the sands are guaranteed to shift.

Death of a family leader, anticipated or not, is not easy to deal with. Why? Not only are there the issues involving business, investment, real estate, and personal property holdings, there are all the issues of control, pecking order, power, authority, leadership, wisdom, social structure and family legacy to address.

The family iceberg of visible "surface" assets floats above an enormous unseen iceberg of shifting behavioral baggage that includes hope, uncertainty, fear, greed and general unease about the future.



"The tide is coming in, sweetheart!"

Families are complicated. No two are ever alike. However, many of the same emotional, social and legacy-related issues are universal.

Therein lies part of the solution – the universality of being human.

We can all take a page, maybe entire chapters, from the annals of transitioning wealth to younger family generations. It has been said, and proven, that family businesses frequently go from “shirtsleeves to shirtsleeves” in just three generations. In India, it’s “peasant shoes to peasant shoes.” In China, “rice paddy to rice paddy.”

Somewhere between 75 and 80 percent of wealth is created by the people who hold it, and it rarely lasts more than two or three generations.

A young estate planning attorney, James E. (Jay) Hughes, experienced this firsthand in the early 1970s when he was called upon to help a very wealthy southeast Asian entrepreneur address this issue with his family. He since has written several excellent books on the subject and is a highly sought-after speaker.

This issue – addressing the passing of the family leadership torch, from sparkling baubles to deep-seated emotions – takes a decade or greater to transition.

Everything is connected...at a very deep level.

Every family, looking at the younger generations, hopes to confer advantages that are more than just financial and materialistic – to inculcate character and leadership, to inspire creativity and enterprise, to help all family members find and follow their individual callings. Every family wants to avoid the financial dependency and loss of initiative that, all too often, follows a senior family members’ financial success.

Yet many families never succeed in achieving this vision – much less sustaining it for three or more generations.

Transitioning wealth successfully involves far more than bank transfers and wills! In fact, words other than “family” immediately spring to mind: “compact,” “community,” “society” and “citizenship.” Complex issues arise, including family governance, growth, stability, and the challenge of nurturing the development and happiness of each family member. Discipline, accountability and the principle of being forced to deal with the ramifications of your own decisions also come to mind.

Not every child or grandchild has the wherewithal or willingness to take on these transitioning responsibilities. They simply may not be interested or lack the skills, mindset or aptitude to address the commitments that come with family leadership, complex relationships and new directions.

Some families operate well by committee. Others use trusted family members or professional advisors to help them through transitions that might easily destroy the strongest of families.

If you’re wondering, this is not just for the uber wealthy.

Families who have accumulated a few million dollars begin to recognize the responsibility of their assets passing to heirs – hopefully, with their own brand of MVP (meaning, value and purpose).

Currently, there are about one million U.S. families with estates between five million and 20 million dollars.

That is a lot of millions passing to many more millions in the next generation or two!

Some of you might recall the 1995 movie “Sabrina,” starring Julia Ormond, Harrison Ford and Greg Kinnear? If so, you may remember that Ford’s and Kinnear’s characters are billionaire brothers — one a business leader (Ford), one the quintessential playboy (Kinnear). Sabrina (Ormond), the family chauffeur’s beautiful daughter, is romantically involved with both.

In one pivotal scene, Ford — despite the threat of losing his inheritance, and having to turn over control of the family business to Kinnear to operate — dashes off to Paris on the Concord to catch up with Sabrina. Faced with this prospect, Kinnear’s mother reproaches her playboy son for not knowing or caring anything about the family’s business affairs.

Kinnear replies, “Mother, you’ve copied me on the financial standings of this company for 17 years. You just assumed I couldn’t read.”

It’s important to note that even a family member who appears not to be interested or paying attention may indeed, at some level, be quite informed about the current state of the family business.

My own business insight, gained from helping families transition their wealth, starts with core convictions: **Without core convictions to help navigate, families stand uneasily on shifting sands and lack the sure footing to stage lives of purpose, responsibility and character.**

The quicker that one acts upon this knowledge, the better. The saying goes, “If you want to leave footprints in the sands of time, don’t drag your feet.”

Shifting sands pile up intentionally or unintentionally, eventually determining our future. Families can prepare intentionally or unintentionally for the future with some level of predictability. Indeed, there are universal knowns as well as unknowns.

Deliberate preparation is a day-by-day exercise. If we desire a particular type of behavioral change, which comes with education, motivation, and the firm resolve to be whoever it is we wish to become. **Our future opportunities and alternatives are the product of the decisions we make or avoid along the way.**

Realistically, preparation can take many forms: simple, complex, clear, confusing or random. Sometimes it’s linear, with sequential systematic learning and development. Sometimes it’s worse than navigating a London pea-souper fog.

Alas, time flies. It’s up to senior family members to be the navigators and conscience:

With age comes wisdom. And greater urgency.

The more sand that has escaped from the hourglass of our life, the clearer we should see through it” (Niccolo Machiavelli).

“Seeing,” however, does not involve squeezing things into submission — recall how compressed sand quickly falls through one’s fingers.

A key factor for perpetuating a successful life is freedom.

Most successful business owners, entrepreneurs and affluent families began by wanting more freedom. Freedom — particularly around time, money, relationships and purpose.

Freedom does not mean chaos. Freedom’s sword is double-edged. With freedom comes responsibility.

People have the right. They take the responsibility. They receive the freedom.

“Freedom is not the right to do what we want, but what we ought” (Abraham Lincoln).

Freedom of choice is more than choosing “x” over “y.” It involves a responsibility to separate the important and meaningful from the trivial and distracting. **Choice is the only thing we have to deliver us from where we are today to where we want to be tomorrow.**

Those who employ freedom in a long-term, meaningful way begin by establishing boundaries, structures and routines to help corral their new-found freedom in positive, deliberate ways.

Life is one big transition.

- WILLIE STARGELL

This requires hard work. There's no road map. "In the book of life, the answers aren't in the back" (Charlie Brown).

It's truly amazing to watch the very best in every field – science, entertainment, business, sports, arts, politics and religion – excel and grow. They are some of the busiest, most productive and systematic people you will ever meet.

They have learned to deal with freedom.

Well-to-do families can learn from their example. Money and possessions are just things. They don't necessarily determine life's journey. Successful families act as stewards, caretakers and herders. They master the ability to lead, organize, decide, deliver and enhance their family members and themselves.

Sands of time continually shift. Powerful forces outside of our control can shift them dramatically – especially if left unchecked, unobserved, unaccounted for, or uncared for.

It's critically important to spawn the optimal family structure and boundaries so as to accelerate family creativity, enterprise, and the desired brand of family MVP (meaning, value and purpose).

The sand-shifting storms of our lives may sometimes slow our progress. But they must never dictate our direction.

The key to a happy life is enhancing family members by making wise decisions.

The story goes, young King Arthur was ambushed and imprisoned by the monarch of a neighboring kingdom. The monarch was set to kill him, but he offered him his freedom if he could answer a very difficult question: "What do women really want?"

An old witch agreed to help him with the answer, but he'd have to accept her price first: She wanted to marry Gawain, the most noble of the Knights of the Round Table. Gawain, learning of the proposal, told Arthur that nothing was too big a sacrifice compared to Arthur's life.

The witch's wise answer: A woman wants to be in charge of her own life.

So Arthur was freed, and the witch and Gawain wed. Gawain, steeling himself for a horrific wedding night, entered the bedroom, only to find the most beautiful woman he'd ever seen. The beauty replied that since he had been kind to her as a witch, she would now divide her time between being her horrible, deformed self and the gorgeous maiden self. Which would he want her to be during the day and the night?

What an awful question! Noble Gawain pondered his predicament, then replied that he would let her choose for herself!

Upon hearing this, she announced that she would be gorgeous all the time, because he had respected her and had let her be in charge of her own life.

Isn't that beautiful?

But, really now, what is the moral of this story?

If you don't respect family members and make wise, humble and purposeful decisions along the way, things can get ugly!

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