

FAMILY WEALTHREPORT

GUEST ARTICLE: Wealth Inheritors In An Age Of Anxiety **Charles Lowenhaupt, December 5, 2017**



A paradox of great inherited wealth is that this can rob people of the adventure of chasing the American Dream and all that comes with it. This article takes a philosophical look at the issues.

A regular commentator about the family office and wealth management world in North America, Charles Lowenhaupt talks about how inheritors treat their wealth and fit it with their values can help cope with a number of pressing social, economic and cultural problems.

Growing up has always been hard, but today it seems more difficult than many of us can remember.

To that point, the American College Health Association, in its annual survey of students, recently found a significant rise in undergraduates reporting “overwhelming anxiety.” The Association said 62 per cent reported “overwhelming anxiety” in 2016, up from 50 per cent in 2011. Many are set on edge over the fear of failure, lack of direction or both.

Now just imagine growing up rich - very rich. Counter-intuitive though it may seem, significant wealth creates special challenges for well-off children and their families. Adolescents and young adults born into wealthy families live in fear of failing to repeat the success of their wealth creator parents or forbears. At the same time, they must deal with their well-meaning, but overbearing parents who are dread that their children will be “ruined” by the family’s wealth.

My conversation with a 25-year-old-man recently summed up the unhappiness facing his generation. “I don’t know why I am here or what I will be. I need to be someone but cannot figure out what that is.” Like his prominent father, he wanted to be a “towering figure” and felt that was something he needed to accomplish on his own. The role models he aspires to are giants. He feels he “needs” to be that kind of someone.

It doesn't add up to a pretty picture. In my practice of working with families of significant wealth for the past 40 years and meeting many others, I have seen more misery among wealth inheritors in the past few years than ever before. I've seen many Millennials suffering from addiction, and others wondering whether life is worth living.

A lost generation?

What I fear many of the Millennial generation are missing is the opportunity to "be someone" by being part of a community and accomplishing common goals for the benefit of everyone. Community can be a force for good itself and can bring change and improvement to a world definitely in need of it.

Today, however, younger people too often find themselves alone in a virtual community. They're preoccupied with social media and disconnected from the physical community right in front of them. Many would do well to develop a better understanding of how community can help them "be someone". The world is full of needs. There are few joys greater in life than helping others. In the process of doing good, wealth inheritors also help themselves.

So what should wealth inheritors and wealth creators do?

Wealth inheritors need an opportunity to self-actualize and become all they can be. That means finding a consuming interest - whether it's supporting a community nonprofit, being an artist, working as an investment banker - and dedicating your life to it. Getting there requires focus, but the journey itself is more important than the destination. That journey can and should include being part of community, rather than as a solo achiever. A lifelong dedication to helping others is one of the surest ways I know of to create a healthy life and live in harmony with wealth.

Eric Greitens, a former Navy Seal and the current Governor of Missouri, characterized it well in his book *Resilience*. He wrote about a veteran who went from near suicide and self-destruction to a life of social service rooted in community. Greitens showed that having a clear mission in community - like a clear mission in the military - can be transformative and life-affirming.

Professor Mark Rank of Washington University in St Louis, who wrote *Chasing the American Dream*, made a similar point in his acclaimed book. Based on his research, it's clear that children of wealth are frequently deprived of the opportunity to chase the American Dream because it is handed to them on a silver platter. Without the challenges of trying to make life work, the young person spends too much time asking "why am I here". The struggle to become all you can be is as important to wealthy children as it is for those who aren't born into wealth. It's the journey that builds character and confidence.

Achieving freedom from wealth

Wealth inheritors who self-actualize often find their salvation in serving the community.

Their self-actualization happens when they learn that the purpose of wealth is not to accumulate more wealth or to live an outrageous lifestyle. Rather, it is best used to serve the community.

If community engagement can be part of a family's culture and values, children will have more to consider than "why am I here." When wealth inheritors direct their wealth to the needs of the community, they achieve the ultimate goal: Becoming all they can be and achieving freedom from the burdens of wealth.

About the author:

Charles Lowenhaupt is founder and chairman of Lowenhaupt Global Advisors, a family office with a 100-year legacy of working with individuals and families of significant wealth. He is also co-author of the book, *Freedom From Wealth* by McGraw-Hill.

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