

VALUABLES

Ideas, Systems and Strategies for Managing Family Wealth to Fulfill Your Greatest Values.

About VALUABLES

Many financial advisors focus on communicating with clients to provide complex analysis of the investment markets and economies. However, we have learned that most clients are not particularly interested in this complex analysis. Most clients hire an advisor for their knowledge of the markets, not for their ability to explain that knowledge. Most want to know what time it is, not how to build a watch.

Experience has taught us that wealthy families care most about using their wealth as a means to a desirable end, which is to achieve a more satisfying, fulfilled and impactful life, and to fulfill their most important Life Values.

VALUABLES is a periodic article series focused on the concepts, systems, and habits which we have observed among families who have been successful in this quest to use their wealth as a tool to live a life of significance. The most successful families share a set of habits, systems, and insights which enable them to use their wealth as a tool to fulfill their Values and what is most important to them.

We are naming this article series **VALUABLES**, because it will provide an exploration of those habits, systems, and insights. We hope it will help you to consider your assets and possessions which are most valuable to you, and how you can use your financial wealth to enhance and cultivate your true "Valuables".

Merry, Merry!

By Erik Strid

"Money Can't Buy Happiness"
~ Anonymous

"The best things in life are free... But you can give them to the birds and the bees... I want MONEY, that's what I want!"
~ Berry Gordy

Eat, Drink and Be Merry

The holiday season is upon us, and it is time to "Eat, Drink, and be Merry". This is a time of year when people all over the world take a moment to reflect with happiness and gratitude on the year that has just passed, and look forward to the New Year to come. It is a time to "Make Merry", and for many it is the happiest time of the year.

In the light of making Merry, and while we are on the topic of being happy, this month we wish to explore the controversial link between happiness and financial wealth. As the two quotes above indicate, there is actually a great deal of disagreement about our ability to derive happiness from money. While we have all heard the famous quote shown above, you may have also heard the joke that *"Whoever said that money can't buy happiness, simply didn't know where to go shopping."*

Every so often, we read a book which is so relevant, and whose message is so valuable, that we feel obliged to use this space to provide a book review. Legacy is an outstanding book written by our colleague Richard Orlando, PhD, which we strongly recommend. So this month, we yield the floor to Richard's wisdom, and offer the following excerpt from his book:

Money and the Pursuit of Happiness

"The closer we personally associate our happiness to money, the more it loses its value and the less happy we are. Like Buddha said, 'Money is like water, try to grab it and it flows away, open your hands and it will move towards you'.

Similarly, by taking the words out of context, some people mistakenly believe that when Jesus said, *'For the love of money is the root of all kinds of evil' (1 Timothy 6:10)*, this verse means that money is intrinsically evil. In fact, Jesus is saying that the love of money for its own sake causes problems, not having an abundance of money in and of itself.

The more financial abundance we have, the more we are potentially pulled toward our material nature. Which is why it is critically important to be fully invested in our spiritual capital. It ensures that we are able to keep a proper perspective on money's purpose in our lives.

When we look at our financial capital alone to bring us lasting happiness, we often encounter disappointment, and even, in some cases, deep despair. When a person has the means to do anything and yet lacks personal confidence in who he is, or lacks purpose in his life, then despair is almost inevitable. Research suggests that money has no correlation to lasting happiness when a person earns above \$50,000 annually. In other words, whether a person goes to work and earns \$100,000 or \$100 million annually, neither scenario ensures lasting happiness. A phenomenon regarding the accumulation of, and pursuit of money has been captured in the term 'affluenza', which sometimes is referred to as the 'Rich Person's Disease'. Some of the symptoms are loss of motivation, low self-esteem, inability to delay gratification, and a sense of entitlement. At a certain point, continuing to amass wealth for its own sake does not help us personally flourish nor does it enhance our intended legacy. Furthermore, the potential for affluenza is one of the greatest fears wealth holders have when contemplating transferring wealth to their children, and when deciding whether or not to talk with their children and grandchildren about the level of financial capital that is present in their families.

There is now a new branch of psychology, called 'positive psychology', pioneered by Martin Seligman and Mihaly Csikszentmihalyi, which studies happiness. Traditionally, psychology has focused on how to treat psychological problems, but positive psychology looks at how we can become more happy and fulfilled.

In his book, Authentic Happiness, Seligman writes: 'How important money is to you, more than money itself, influences your happiness. Materialism seems to be counterproductive: at all levels of real income, people who value money more than other goals are less satisfied with their income and with their lives as a whole'.

If wealth alone could bring us deep meaning and happiness, then there would be a strong positive correlation between wealth and happiness, and the most affluent people in the world would be the happiest. But it is self-evident that this correlation does not always exist. The Atlantic magazine published an article in early 2011 entitled 'Secret Fears of the Super Rich', citing an unpublished Boston College study of the super-rich that loudly echoes this truth. This study surveyed 165 households with an average net worth of \$78 million and 120 households exceeding \$25 million. In the article, contributing editor Graeme Wood reports:

'The result is a surprising litany of anxieties: Their sense of isolation, their worries about work and love, and most of all, their fears for their children... But the overwhelming concern of the super-rich, mentioned by nearly every parent who participated in the survey, is their children. Many express relief that their kids' education is assured, but are concerned that money might rob them of ambition. Having money 'runs the danger of giving them a perverted view of the world', as one respondent writes. Another worries, 'Money could mess them up - give them a sense of entitlement, prevent them from developing a strong sense of empathy and compassion'.

Old Testament literature is ripe with illustrations of the limited role money plays in our happiness. Consider King Solomon's words in Ecclesiastes (2:3-11). He is presented as the quintessential prototype of success, a man with great wisdom, power, and money. He says:

'I wanted to see what was good for people to do under the heavens during the few days of their lives. I undertook great projects: I built houses for myself and planted vineyards. I made gardens and parks and planted all kinds of fruit trees in them. I made reservoirs to water groves of flourishing trees. I bought male and female slaves and had other slaves who were born in my house. I also owned more herds and flocks than anyone in Jerusalem before me. I amassed silver and gold for myself, and the treasure of kings and provinces. I acquired male and female singers, and a harem as well - the delights of a man's heart.

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I became greater by far than anyone in Jerusalem before me. In all this my wisdom stayed with me. I denied myself nothing my eyes desired; I refused my heart no pleasure. My heart took delight in all my labor, and this was the reward for all my toil. Yet when I surveyed all that my hands had done and what I had toiled to achieve, everything was meaningless, a chasing after the wind; nothing was gained under the sun.’

Notice the ending phrase: ‘under the sun’. This refers to everything outside heaven, meaning that which is not grounded in the spiritual nature of humanity. After pursuing and experiencing all kinds of pleasures and material blessings, Solomon concludes that it was like ‘chasing after the wind’. When only focusing on the non-spiritual forms of capital, especially in a materialistic way as Solomon did, it is hard for us to achieve lasting happiness.

Another subtler factor that reflects the limited role our financial capital has on our lasting happiness is what is referred to by some as the ‘hedonic treadmill’. We fairly quickly adapt to material possessions we’ve acquired. Expectations rise as a result of gaining anything, whether it is money or objects, so that which once brought us some sense of happiness in the past no longer has the same impact, and possessions are actually taken for granted.

On a related note, I have been in too many conversations with patriarchs and matriarchs sitting in their luxurious homes with views that many other people go on vacations to see, listening to them tell tales of their broken hearts regarding how they wished they were closer to one or more of their children or how they wished their children were closer with each other. Often they say they wish their children appreciated what they had been given and didn’t have such an entitlement mentality.

Unintentionally, money became the language with which these people expressed love and attempted to ‘buy’ happiness within their families. Now left with emptiness and dissatisfaction, they regret the family legacy they had hoped for hadn’t yet been realized. So, if money doesn’t ensure our happiness, then what does? How can we achieve it? How do we not “chase after the wind”?

Happiness and Positive Psychology

There is a growing body of research in the field of positive psychology on the attributes that contribute to lasting happiness and personal well-being.

As a result of surveying the resources on happiness, as well as from my own life’s research, here is a summary of some of the core attributes associated with authentic happiness. Each of these is an aspect of a person’s living legacy, too, as these attributes are central ways we positively impact people’s lives and the world.

- Giving back/ sharing with others
- Finding our purpose and meaning
- Cherishing relationships
- Being Grateful
- Practicing forgiveness (towards ourselves and others)
- Being playful
- Being open
- Being true to ourselves
- Achieving worthwhile goals
- Having faith

These are not only the attributes associated with lasting happiness and well-being, they are also skills to be practices in our daily lives.

An Invaluable Handbook

As articulated by Solomon, the pursuit of material wealth without a corresponding pursuit of spiritual wealth is nothing more than “chasing the wind”. The accumulation of wealth for its own sake can leave us feeling unfulfilled and empty.

Legacy is an outstanding handbook and guide for understanding the links between financial and spiritual wealth, and should be required reading for any family who seeks a life of Significance and Meaning. In Legacy, Dr. Richard J. Orlando explores the five most important family wealth decisions that directly impact us, our families, and our legacies. Orlando offers wisdom, stories, and step- by-step advice for optimizing these decisions by aligning them with our values, purpose, and faith, in essence, our spiritual capital. These questions are:

- How do I ensure a happy and fulfilled life for myself and my family?
- How do I transfer my wealth to my children and others I care about?
- How do I prepare the next generation in my family for the opportunities and responsibilities of wealth?
- How do I best give and share my resources with others?
- How do I ensure that my family business (whatever it may be) flourishes?

To order your copy of Legacy, you can visit <http://www.legacycapitals.com/store/products/the-legacy-book-hardcover>.

You may also wish to browse Dr. Orlando's website: www.LegacyCapitals.com

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