

MONEY POWER LOVE: NAVIGATING THE BERMUDA TRIANGLE

Secrets to navigating the Bermuda Triangle of money, power and love include asking the right questions at the right time, contingency planning before crises and threats arise, and creating structures and processes for managing change

By Bonnie M Brown

The Bermuda Triangle of money, power and love comprises the complex and challenging dynamics of wealth in all its aspects.

Invalid assumptions about money, power and love may create a vortex of confusion around and within families of wealth and prominence. Unconsciously-held assumptions influence choices and impact relationships from one generation to the next. Unarticulated assumptions and a family's taboo topics stifle healthy dialogue between generations, siblings, cousins and spouses, and cloud a family's vision of the past, present and future. They also impede its strategic implementation of missions, goals and objectives, no matter how carefully crafted or how logically presented. As assumptions begin to surface, so do conflicts and patterns of behaviour, which (if unaddressed) spiral like alternating currents around the constructive use and destructive abuse of money, power and love.

Frank Sulloway's insightful analysis of birth order and family dynamics in *Born to Rebel* (Pantheon Books, New York, 1996) may provide families of wealth and prominence with a point of departure for recognising the value of trust and diversity of perspective as core family resources for addressing issues around money, power and love.

Sulloway notes that based on genetic considerations, parents normally encourage their children to share assets equally, while siblings, even when highly altruistic towards one another, may "prefer to acquire more of any scarce resource than they give to a sibling". However, he also points out that research suggests that genetic considerations predict that siblings share scarce resources "whenever the benefits of doing so are more than twice the cost".

Getting past the initial barriers created by invalid assumptions to meaningful discussions about money, power and love

can be challenging and frustrating. Sam Keen, author of *To Love and Be Loved* (Bantam Books, 1997), suggests that it is "love that makes us strive to be worthy". When families commit to starting a process of self-reflection and growth, love of self and family encourages that first step. To do so requires a willingness to risk honest dialogue and to view diversity of perspectives as an asset rather than a liability. It also requires trust among individual family members and trust in the structures and processes their families create for this purpose.

Trust is an intangible asset that is hard to find and easy to lose. Asking appropriate questions about assumptions regarding age, birthright, gender and birth order in respectful ways may build trust between generations. Listening to these questions carefully and responding in respectful ways may also build trust between generations. But trust isn't enough. If Sulloway's premise is accurate, family members also need to understand and validate the costs and benefits of doing this work.

Identifying "hot buttons" and unarticulated assumptions about this Bermuda Triangle helps some families chart a course through waters that are sometimes murky and rough.

If families avoid these fundamentals, they are, in effect, sailing into the centre of the Bermuda Triangle in a ship whose radio and radar systems function only sporadically. These are families who dissipate fortunes gradually, who battle among themselves for power and recognition, or who struggle, sometimes for generations, with substance abuse, dysfunctional relationships and deteriorating family ties.

Unless something precipitates an awareness of what is happening and a willingness to proactively change course, these families of wealth and prominence lose themselves in the Bermuda Triangle



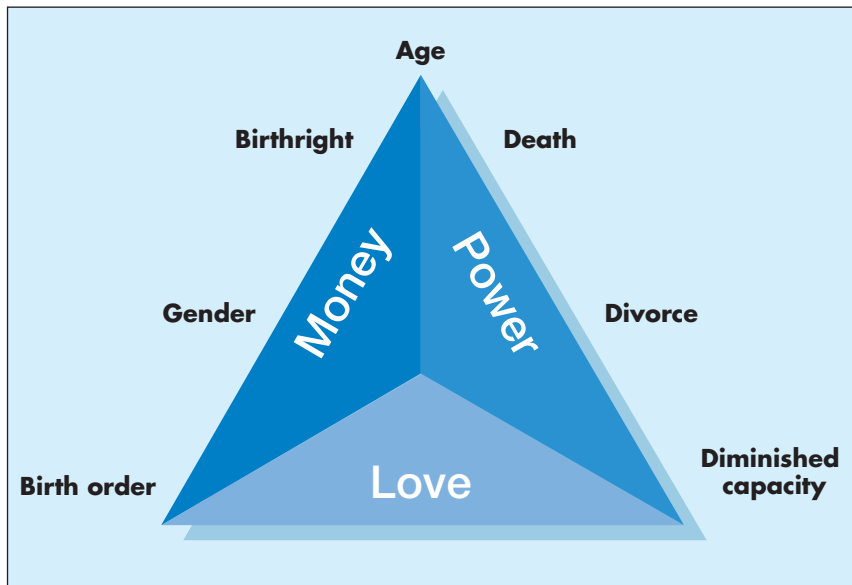


Figure 1: Money, power, love hot buttons. © 1998 Transition Dynamics Inc.

of money, power and love (Figure 1). One secret to navigating successfully through this Bermuda Triangle is to ask the right questions at the right time and in the right way.

Asking the right questions at the right time and in the right way

In the process of clarifying assumptions and creating a culture that fosters trust and open communication about potentially taboo topics, the “right” questions fall into three categories:

- questions that are difficult to answer because adequate information isn’t available;
- questions with answers that highlight the need for corrective action;
- questions with answers that are known but are not shared with loved ones or advisors.

In many cases, the “right” questions seem potentially intrusive for families that have traditionally avoided them, and may, in fact, fall into all three of the above categories.

The “right” questions often seem wrong on the surface. In some families of wealth and prominence, for example, asking parents or grandparents direct questions about their estate plans or the

family’s assets may feel intrusive, but may provide important information that younger family members need in order to make career or investment decisions.

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Framing such questions in an appropriate context and choosing a time and place that fit the nature of the question improve the family’s chances for open dialogue. Some people’s first response to taboo topics is to avoid response altogether. Others respond defensively or even with hostility. In some cases, these responses will change if the respondent is given time to think through the request. In other cases, writing a letter that frames the question in a broader personal context gives the writer time to clarify issues and the reader time to reflect before responding.



One note of caution

Many geographically dispersed families successfully use e-mail to stay in touch and to conduct the business of the family. However, when asking the “right” questions, at least initially, e-mail may not be a satisfactory medium for several reasons:

- first, it seems easy to misinterpret tone in e-mails;
- second, people sometimes read and respond to e-mails quickly because they are in a hurry, but this kind of dialogue requires reflection;
- finally, e-mail may not be a secure environment for an open discussion of confidential subjects.

Contingency planning

Another secret to successfully navigating the Bermuda Triangle of money, power and love is to give families opportunities to carry out contingency planning before crises or threats arise. The way any given family manages change depends in part on the attitudes, beliefs and expectations of its individual members.

In *The Art of Happiness* (Riverhead Books, New York, 1998), the Dalai Lama notes that “Generally speaking, once you’re already in a difficult situation, it isn’t possible to change your attitude simply by adopting a particular thought once or twice”. He advocates a process of learning, training and getting used to new viewpoints.

Learning how to run family fire drills is a good way to carry out contingency planning that anticipates the impact of the Bermuda Triangle triggers (death, divorce and diminished capacity).

Advisors to families of wealth and prominence often find that any of these triggers may precipitate either a crisis or an opportunity for growth when mixed with invalid assumptions about the impact of age, birthright, gender or birth order in situations that involve the family’s money, power and love.

For example, families often have concerns about how well their teenagers and young adults will handle inherited wealth, the responsibilities of power, and

the challenges of marriage. Similarly, they have concerns about how ageing members of the family will handle decreasing influence in their community, the death of a spouse, diminished mental or physical capacity, or the need to give up control of their financial decisions. These remain taboo subjects for many families.

If families of wealth and prominence are concerned about the impact either of sudden wealth or the loss of control over the management of assets, fire drills might help them prepare for these contingencies by considering the following issues related to money, power and love.

- How would the individual’s life style change? What would the impact of that change in financial status be on the rest of the family? In the case of sudden wealth, for example, how would one’s work ethic and career expectations change?
- How would the change in financial status impact the ways in which the individual measures self-worth or position in the community? Consider the impact of that change on the individual’s ability and willingness to make decisions, take risks and take charge of changes in other areas of life.
- How would the change in financial status affect the individual’s physical wellbeing? Would exercise and diet patterns change? Would sleep patterns change? Would the risk of substance abuse increase? In the case of sudden wealth, would the risk of being kidnapped increase?
- How would the change in financial status affect the individual’s sense of freedom? In the case of sudden wealth, how would the individual measure personal accountability for managing these new assets?
- How would the change in financial status impact the individual’s closest personal relationships? In the case of sudden wealth, how would the individual learn to assess the impact of that wealth on intimate relationships and friendships?



- How would the individual and the family clarify the value of giving back to the community? How would the individual learn to evaluate requests for loans and gifts from family, friends or community organisations?

In the discussion of such questions, families identify assumptions that have been woven into the family culture over generations.

The impact of individual and collective assumptions about age, birthright, gender and birth order on family decision making and relationships stands out dramatically in fire drill discussions.

In the process, families have an opportunity to recognise the value of honouring commonly held attitudes, beliefs, needs and expectations, while encouraging diversity and differentiation among individuals, generations and branches of the family.

Detailed fire drills on sudden wealth, sudden death and catastrophic illness are discussed in Brown and Frishkoff's *Money Power Love; Practical Tools for Cultivating Change* (Transition Dynamics Inc., 2002).

Useful structures and processes for managing change

Another secret to navigating successfully through the Bermuda Triangle of money, power and love is to build structures and processes that encourage families of wealth and prominence to:

- map change thoughtfully and creatively;
- drive change in good conscience, from the inside out, by learning to make choices that create synergies among the family's human, intellectual, financial and social capital;
- steer change constructively with wisdom, enthusiasm and compassion.

Good governance facilitates the family's ability to map change thoughtfully and creatively.

When clear boundaries exist between the family, its family office, business entities and foundation, planning and implementation are more effective.

When family members know where and how to get the help they need, they are able to manage change proactively and to focus on what's right with life instead of what's wrong.

When families have worked through invalid assumptions successfully, they are more likely to address current challenges effectively as they arise.

In *Money and the Meaning of Life* (Currency Paperback, New York, 1991), Jacob Needleman points to the need to balance the intensity of people's experience of money by searching "for a quality of inner experience that is at least as vivid and intense as our concerns about money".

To put money into perspective, families sometimes need to make a paradigm shift to expand the definition of wealth as financial capital so that it includes the family's human, intellectual, and social capital.

In *Family Wealth: Keeping It In The Family* (NetWrx Inc., New Jersey, 1997), Jay Hughes defines human capital as the individual family members and intellectual capital as "the knowledge gained through the life experiences of each family member". Social capital in this context refers to the family's time, expertise and willingness to give back to the community philanthropically.

The infusion of these four sources of capital into the family's awareness and activities creates opportunities to use money, power and love as resources for cultivating change.

Successful, healthy families of wealth and prominence adopt a model for what John O'Neil characterises in *The Paradox of Success* (Putnam's Sons, New York, 1993) as long-distance leadership in a self-renewing organisation. The long view encompasses at least the next 100 years for effective leaders in multigenerational families.

The threats related to navigating the Bermuda Triangle of money, power and love never disappear. However, the opportunities for self-renewal and growth are abundant for families prepared to meet the challenge. ♦

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