

THE NAVIGATOR

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Fortunes Can Be Made in this Kind of Market

It is impossible to write anything remotely resembling news without acknowledging the current economic downturn and its worldwide negative effect. Many investment managers remind us that in this turbulent time fortunes can be made. Of course, fortunes in financial capital are what they refer to. But I would suggest that a fortune in other types of capital can be created as well, and this is a silver lining in the uncertain time that surrounds us all.

The acid test of how well we have developed the human and intellectual capital in our families is how well we withstand crisis when it hits. Even in a wealthy family, the current economic downturn is being experienced as a potentially damaging force. The wealthy may have stronger financial resources than in many families, but challenges may arise in everything from heated arguments about current risk, to certain family members who have lost significant financial assets, to short tempers in otherwise more reasonable family members.

This is the time when families I have coached find out if they have taken to heart what they have learned about each other and about their family dynamics. When financial times are good, it is easy to say you prioritize human and intellectual capital. But now, everyone's priorities and communication skills are being put to the test. Are family members fighting about money or are they pulling together remembering what they have said is more important than the money?

Often I ask families to identify their strengths and their liabilities. The typical liabilities we consider are: death, divorce, secrets, inability to maintain health, poor family governance, poor trust relationships, inflation, taxes, no mission statement, poor financial education, failure and neglect of human, intellectual and social capital. I have not had economic downturn on the list, but it is there now. It is at a time of stress that those who have truly developed core family strengths will reap the benefits of this family work.

Most wealthy private investors have been trained by their financial advisors to expect and weather the ups and downs of the markets. So, at first I didn't see much reaction to the economic downturn among my clients. But now the downturn has everyone's attention. And we have reached the point where most are thinking what affects my neighbor affects me. I have one client who is preparing for the end of civilization as we know it, others who are proactively fine tuning their philanthropic efforts, and many who have become philosophical about the correction of society's ills. Markets are purging greed, deceit, stupidity, irresponsibility and impatience. In the long run, this is beneficial to all of us.



The Navigator is a quarterly newsletter for all who have an interest in wealth. The rich really are different, but not in the ways most people think. Many envy the wealthy and presume they have no problems, but in fact, they face unique psychological challenges. Thayer Willis, LCSW, wealth counselor, speaker and author of *Navigating the Dark Side of Wealth: A Life guide for Inheritors*, helps her clients develop the meaningful lives we all treasure.

Fortunes were made between 1930 and 1935. Four top oil families in Texas built their financial strength during this period: Murchison, Hunt, Cullen and Sid Richardson. If you are smart, do your research and are in the right place at the right time, it may be possible to build a financial fortune in the near future. There is another kind of fortune to be made in the near future, and this one grows outside the financial realm. It is the true family wealth that is created by pulling together in a tough time, healing relationships, supporting each other, and developing human and intellectual capital in the family.

Let's say the family has a big pile of money, a bit smaller now, but still big, *and* a trail of broken relationships; nobody working or family members doing work that they don't like; dilettantes, people adrift with no sense of purpose...what do you really have? That's not wealth! To have wealth you have to be strong and true in relationships; have work in which you are constructive and loving it; and passion in your work, the strength to stick out the tough times, the setbacks – now, *that's* wealth. If you can do all of this as well as strengthen family ties and bring family members closer in these difficult financial times, then this is the silver lining in the dark cloud of the current economy.

Many of us are concerned about the attitude of entitlement we see in today's youth. This pervasive attitude is found widely in families today, and it is easily found among wealthy kids. The current economic downturn will purge some of this dysfunctional pride, and it is high time. We will see our young family members do without certain luxuries and begin to appreciate things, maybe for the first time. This will add to the silver lining.

Fortunes can be made in this kind of market. In addition to dreams of opportunities for the financial fortune that many treasure, the fortune of family strength and closer family relationships which are the result of pulling together and supporting one another, may be the biggest prize. In hindsight many will look back on this time of economic loss and uncertainty and see a fortune of family closeness.

Steps to take:

1. Read Stephen Covey's The Seven Habits of Highly Effective Families *together*. It is available on audio, so this is an easy way to savor his pearls one habit at a time.
2. Gather your family and find out what opportunities family members can see for strengthening the family. This requires a stretch in perspective, and perhaps you have a family member or two who can get this effort out of the starting gate.
3. Take the lead yourself and plan a family dinner asking each individual to bring something meaningful in the shared family history and be ready to tell its story.

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We are pleased to announce that The Navigator newsletter is now available in an electronic format. If you would like to receive the newsletter electronically, please send an email to andrea.kendall@thayerwillis.com with your request. Thank you!

