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It's Hard to Talk about Money

By Marty Carter Batton and Steven B. Wittenberg, JD, L.L.M., MBA

We are excited this month to share with you an article offered by Steve Wittenberg, Director of Legacy Planning in SEI Investment's Private Wealth Management group, located in Oaks, PA. He provides tax, estate, philanthropy and succession planning advice to ultrahigh net worth and high net worth clients. Enjoy the article!

Next generation heirs are not well-prepared to handle the financial and emotional responsibilities of wealth.

Why is it so hard to talk about money?

Productive values and actions with wealth start with learning how to talk about money. There is widespread fear, particularly with affluent and high net worth clients, that children will spend beyond their means because they will grow up naïve about the value of money and the effort required to earn it [1]. The fear of senior generations is that descendants will squander their wealth, leaving little or nothing for future generations.

The story of the failing family fortune has been told so often that it is a cultural proverb – “Shirtsleeves to Shirtsleeves.” Jay Hughes proposes this non-productive cycle can be broken by practicing successful wealth preservation. In *Family Wealth: Keeping it in the Family*, Mr. Hughes encourages families to think out one hundred years into the future in order to preserve the family wealth [2]. This seems like an incredibly long time, but it gives families a format to talk about their wealth, what they want to do with it, and how future generations can preserve their wealth.

Why don't people talk about money?

Money is a very private matter and is freighted with emotion. “I don't want others to know how much or how little we have.” “We've been taught that it is not polite to talk about money.” “Talking about money creates arguments in our family.” “I worry about what others will do with the information.” “I don't know what to say when my children ask the tough money questions.” “I'm embarrassed that I've not done a good job with my money.” “If the kids know how much they will get, they might get lazy and not get a “real” job.”

But, not talking about money can create suspicion and distrust. Fear of conflict drives some families to withhold information about their estate plans which could result in their wishes not being met.

How do you start?

Using a facilitator levels the playing field. A family meeting devoted to a discussion about wealth includes identifying money attitudes and behaviors. These are not likely to be familiar topics of conversation, but are important because they help families decide what their

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We have heard the phrase *“live each day like it’s your last”*. We updated it to *“live each day like it’s your best”*.



This Month’s Offer:

For those of you in the **Legacy Focus** programs, we will provide an extra 20 minute call with Bhaj for a question or concern you might have about building a family that fosters harmony across generations.

This is **in addition to your regular June call** with Bhaj

Contact grace@focusandsustain.com to take advantage of this exclusive offer.

This offer ends on **June 23, 2017**

Oddities for Your Consideration

- ◆ It’s here, your artificial sun which will melt/fry/burn most anything you have because it has **10,000 times more solar radiation** than we currently have.
- ◆ Those hair strands and hair clumps that come out in the shower, or as you brush your hair can be put to interesting use, says Lucy Gafford, a multimedia artist from Alabama. She uses her wet hair as an art medium, creating various art pieces such as a dog, a squirrel, a cardinal, portraits...all on her shower wall. You can see her drawings on Twitter or Instagram.
- ◆ I do not drink coffee, but I know that for some of you, coffee is as necessary to you as an alarm clock, in the morning. The International Food Information Council **recommends an intake of 300 mg or less of caffeine a day while the FDA recommends up to 400 mg**. A 12 ounce brewed coffee has 120 mg or more, depending on where you get your coffee. But you need not worry about your all-nighter any longer because **“Black Insomnia”** is here. Sean Kristafor, a South African coffee lover, created **the strongest coffee**. He uses Robusta rather than Arabica beans and roasts these revved up beans in a “secret” way (I’ll bet he does!). Black Insomnia **contains 702 mg of caffeine** and this is after dialing it down for commercial success. And may the force be with you too!
- ◆ You knew this was coming and well....it’s here. Zheg Jiajia **married the girl of his dreams...literally**. Yingying, his bride, is a product of his dreams. You see, Zheng earned a master’s degree in A.I. and last year, started working on the humanoid that he modeled after his preferences in women. She says simple words, looks at him adoringly, and recognizes Chinese characters and images. Like I said, a dream come true.

“You never know how strong you are until being strong is the only choice you have”

Bob Marley

Life Matters

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values are and what is important to them. There are many questions that can get families started. Explore the family tree for stories about the family wealth, how it was created and by whom. What difficulties do various generations have to overcome? What were the founders' visions, values and important messages? It is important to cover a range of topics including goals, fears, worries, behaviors with money, relationships, burdens, stresses, expectations, etc...

It's not easy being wealthy. Families work hard to protect and preserve their wealth. They want to know how to do it right, protect their investments, handle inheritance, train heirs to be responsible, be successful in their work, have relationships and be happy and productive. It takes hard work to manage money and communicate well. Both are necessary for success.

The best way for families to succeed in preserving the family legacy and wealth is to learn how to talk about their wealth: what it means to them, what they want it to do and how they can be a resource to each other.

[1] See, *Why Clients Don't Stick with the Plan: Emotional Barriers About Money and How Advisors Can Help*, by Marty Carter, *Journal of Financial Planning*. August 2006.

[2] See, *Family Wealth-Keeping It in the Family*, Hughes, by James E. Hughes Jr., Bloomberg Press 2004.

Thoughts that Matter

Money Focus

Money is gone by the third generation because the system for understanding its purpose wasn't utilized.

The art of money is knowing what it's for.

Money unlocks your passions or your fears-there are consequences and impacts to each.

Money without purpose is materialism.

This year, money and I will be friends, and not part company as easily and as often as last year.

Life Focus

The purpose of life is a life with purpose; claim it, own it, experience it

Communication thrives on understanding and dies on assumptions

If you open your heart, and reveal the depth within, you can bring out the meaning of your life

"If you have the big picture in life, it doesn't matter how many forehands you miss." Roger Federer at French Open 2014 on work life balance

Legacy Focus

Families and money can grow together when its values are nourished.

Families create ripples, how far reaching are yours?

When you build purpose and meaning in and to your family, you build the door to immortality.

"If you don't believe in ghosts, you've never been to a family reunion" - Ashleigh Brilliant

The forest is made vital by the strength of the trees in it.

Contact grace@focusandsustain.com to move your money, life or legacy into greater focus.

Life Matters



The Wild West is Back

I started going to B&Bs in the 1990s and **for the most part they have been positive experiences.** They have an association, they have standards and for the most part they have understandings of what B&B means, bed AND breakfast. But that understanding of a B&B has changed, especially the second B, with the rise of Airbnb. It's like **the wild west of accommodations.**

My first experience with Airbnb was a few years ago. The bed must have been 30 years old and sagged like a hammock. One could hear the heated argument by the host couple late at night and their snoring was the substitute for the sound of silence. It was an **uncomfortable experience,** in many ways. I waited a couple of years before using Airbnb again.

This year I have used Airbnb 4 times. The best experience, a 5 star, understood that there is a 2nd B in B&B. They provided breakfast, had good communication etiquette, were helpful with food and hiking recommendations and were available without being visible. Another B&B was given a 3.5 rating. The room was okay, the host had excellent communication etiquette but there was no accommodation for the 2nd B. The third, well, let's just say it was a 2 star. This waterfront cottage no longer had the shine it had in the brochure picture. It was pretty bad as lights, septic system and fans did not work well. The host answered texts discriminately and provided no breakfast. And we had to make up the bed ourselves with sheets hanging on the line. **When I contacted Airbnb, there was no response.** The wild west is alive and well with Airbnb. Competition is welcome in this space!

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"It is good to have an end to journey toward; but it is the journey that matters, in the end"

Ursula KLe Quin