

DYNAMICS OF
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FAMILY WEALTH



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Why Did They Get So Much More Than Me?

A SHORT STORY

TWO BROTHERS (HAMILTON AND EDWARD) STARTED A BUSINESS, WHICH BECAME QUITE SUCCESSFUL. EVENTUALLY, THE BROTHERS SOLD THE BUSINESS AT A TREMENDOUS PROFIT. BECAUSE HAMILTON AND EDWARD HAD VERY DIFFERENT PLANS FOR DISBURSING THE FUNDS, EDWARD ASKED HAMILTON IF THEY COULD ARRANGE FOR THEIR CONVERSATIONS TO HAPPEN AT THE SAME TIME (DIFFERENT LOCATIONS) WITH THEIR RESPECTIVE FAMILIES. THE INTENTION WAS TO ENSURE THAT EACH FAMILY HAD TIME TO ABSORB THE NEWS OF THEIR INHERITANCE BEFORE THE COUSINS BEGAN SHARING THE NEWS WITH EACH OTHER. UNFORTUNATELY, THIS DID NOT HAPPEN.

Hamilton happily announced to his children that he would be splitting all of the monies equally between them immediately. His children excitedly called their cousins, and announced that they were all “rich” and could start going on great vacations together, and buying anything and everything they had ever wanted. “Call us when you know how much you get.”

Upon hearing this news via the cousins, Edward’s children started planning for the future. In fact, one of Edward’s sons bought his brother a new Ferrari as a gift, just because he could.

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This is All You're Giving Us?

When Edward gathered his children together for their inheritance conversation, he disbursed a small portion of the funds to each of them. He then announced that he could be establishing a family foundation with the vast majority of the balance. His children were shocked, disappointed, and angry. "How could you?" they asked. "That's not fair, our cousins are rich. Aren't we as worthy as they are? Don't you know that you have put us on an unequal, uncomfortable status with our cousins? They can follow their dreams, but we have to keep working. How is that fair?" "Great that the foundation gets to fulfill your and mother's dreams; but, what about our dreams?" "What have we done wrong that you don't want us to benefit like our cousins?"

Hamilton, although thrilled by his children's excitement and gratitude, was dismayed that their focus was spending it on fun, games, and quitting their jobs.

What Went Wrong?

Edward was mortified. How could his children be so ungrateful? How much money did they really need to be happy? How could they not see the value of a family foundation and all the good they could create in the world?

Hamilton, although thrilled by his children's excitement and gratitude, was dismayed that their focus was spending it on fun, games, and quitting their jobs. Hmmm ... had he unintentionally squashed a valued work ethic? Had he given them too much, too soon?

Retwind and Start Over

I call these crucial conversations gone wrong. Now let's imagine what might have happened if the brothers had consulted a family wealth dynamics advisor/coach or a philanthropic consultant. Working with their advisor, Hamilton and Edward would have been supported in exploring the following questions before making their distribution decisions:

What types of conversations might be useful for both brothers to have with their children prior to the inheritance discussion? How would each structure them?

Might it be useful to disburse a small amount first with an expression of what this gift means to you, the gifter? This could be followed by a request for a conversation with your heirs regarding how this gift was received, and what this gift means for them and their dreams.

How about beginning conversations around bigger world issues, and finding out where your children's passions lie; and, the role they envision for themselves in healing that greater world hurt?

Sharing stories about your journey in creating the business, the challenges you experienced and how you overcame them, what its success meant to you, and what freedom from the business now means to you, could be so meaningful.

Conversations around family and wealth dynamics can be fascinating, fulfilling, and scary. Although every family has differing amounts (and definitions) of the various forms of wealth (our human, social, intellectual and financial capitals), the impact of large amounts of financial wealth on families can be both wonderful and devastating.

Those of us who have been trained in the issues around wealth dynamics, relationship systems, and the field of philanthropy can help facilitate these important conversations. We guide you in clarifying your values and vision, understanding your goals, crafting your family stories and embarking on these dialogues.

No matter how loving the family, family members are experts at triggering each other...whether intentionally or unintentionally. Seeking assistance from an advisor/coach can help you avoid, or at least minimize the impact of these land mines.