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THE CYCLE OF THE GIFT: FAMILY WEALTH AND WISDOM

By Drs. Susan Massenzio and Keith Whitaker

On December 5th we had the pleasure of hosting our 7th Client Event at the Langham Hotel in Boston. We were fortunate to have two authors share insights from their book "*The Cycle of the Gift: Family Wealth and Wisdom*." Family giving is more than just estate planning and tax accounting. As high net-worth individuals have found, gifts, once given, take on a life of their own. It is not unusual for a well-intentioned gift to have a destructive impact on the recipient's life, or to give rise to feelings and responses that can undermine relationships or alienate family members. Drs. Whitaker and Massenzio discussed the psychological aspects of giving and offered some practical advice on how to do it constructively.

Over the course of the evening it was emphasized that making a gift should be approached in a thoughtful and mindful way. So what does this mean? According to our speakers it is important that *the giver* really think, not only about what their gift will be, but also about what hopes or goals are behind the gift. It is also important to consider the potential impact the gift may have on the recipient. A gift should come from a place of love and ultimately enhance the lives of both the *giver* and the *recipient*.

Our presenters emphasized some key points to think about before making a gift. First, that individuals must be aware there is a distinction between "transferring" money and "giving a gift with spirit." Transfers are simply transactions that involve little to no communication between the giver *and* recipient. When people contemplate a gift to others in this manner it is less personal, and can lead to recipients feeling like there might be "strings" attached. "Gifts with Spirit" are different because the emphasis is on being mindful regarding the whole process. Giving a Gift with Spirit assumes the giver has put some thought into goals or intentions for their gift, and has considered the potential impact on the life of the recipient. Ideally, the hope is that people strive towards making gifts with spirit.

Drs. Whitaker and Massenzio offered tips for how to go about giving in this manner. First they talked about the importance of focusing on "The Who" of giving, which encompasses the giver and the recipient. As the giver it is important to think about why one is making this gift; or what is the motivation behind the gift? Other questions to consider are; what are the values behind the gift, and have those values been articulated to everyone involved? What is the vision for how this gift will be

received and how it will be used? As the giver thinks about these questions they increase their own awareness of their expectations and hopes for the gift, and increase their ability to communicate those intentions. They also highlighted the importance of taking into account the recipient; where are they developmentally and do they have the maturity to positively integrate the gift? Other questions one might ask are; what are the recipient's values? Will they be able to embrace the gift in a healthy way? How will the gift impact them and their life? Exploring possible answers to these types of questions increases the likelihood the gift will be a good fit and ultimately enhance the life of the recipient.

Throughout their talk, Drs. Whitaker and Massenzio stressed the importance of communication between all people involved. For example, if the gift is intended for a grandchild, communication and collaboration with the child's parents is recommended so everyone understands the donor's intentions. This communication should start as early as possible in the process. By communicating the provider's intentions, an opportunity is created to increase communication and strengthen the relationship between the *giver* and *recipient*. In the end, as one might expect, our speakers emphasized there is no "one way to give" as long as it is done in a thoughtful manner and all intentions, expectations, values, and goals are communicated clearly to the recipient and anyone involved.

The event ended with a lively question and answer session. The discussion provided a forum for reflection, and aimed to guide people in their giving endeavors. The insights provided by Drs. Whitaker and Massenzio are a helpful tool for increasing the likelihood that a gift will be received and integrated in the most positive sense. We thank all our attendees for helping us make the session a great success! For additional information on this more rational approach to intra-family wealth transfer, please refer to the book "*The Cycle of the Gift: Family Wealth and Wisdom*." If you would like to obtain a copy of the book please contact Susan Frodigh at 617-210-6711 or sfrodigh@tfcfinancial.com.

