

Vaccinating with Values: Family Business Antidotes to “Affluenza”

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“He who has the most stuff wins,” “Because you’re worth it...” and countless other slogans seem to capture the mentality of materialism that has overrun our culture in the past 20 years or so. Yet, while we have gone on a rampage of accumulating “stuff,” we are simultaneously suffering from sky-high rates of depression, divorce, addictions and countless other social and emotional ills that are a living testimony to our collective misery. While the links between excess consumption, debt and stress can seem clear enough for those who spend beyond their means; the simple truth is wealthy individuals cannot buy happiness either.

Research has demonstrated that the things you buy will only make you, at best, temporarily pleased. In fact, the constant pursuit of materialistic goals has been linked with paranoia, narcissism and loneliness. In addition, if we put much of our energy in the quest for “latest and the greatest” thing, we are distracted from investing in experiences and relationships that can actually bring us lasting joy; a very steep price to pay indeed!

While many of us understand this intellectually, we may sometimes struggle to consistently apply this knowledge to our daily lives, or to effectively share this wisdom with the next generation in our family. While no one is suggesting successful business owners should strive to live like hermits (who is to begrudge us wanting

to drive a nice car after all of these years of hard work and sacrifice?), it is important not to get trapped by the trappings of wealth. Someone will always have a nicer car or finer house than we do, and the sooner we make peace with this, the less time we will waste chasing after the ever-elusive newest, best, fastest or strongest thing out there.

In our work with business-owning families, we often encounter challenges around wealth and how it affects the family. Sometimes a busy business founder may resort to “buying stuff” for their kids to relieve their guilt about missing a ballgame or otherwise being absent in their daily lives. In other cases, grandparents who grew up with less may revel in the pleasure of “spoiling” their grandchildren in ways they could not with their own kids when the business was young and struggling.

While the occasional indulgence is harmless, if children are raised to believe they can always just “get what they want,” it can breed an attitude of entitlement that will harm them (and the family business, should they plan to join) throughout their lives. Likewise, if young adults primarily experience “family love” through the purchase of stuff, they may begin to equate the stuff with the affection it was replacing. Rather than seek out meaningful relationships and connections, these young adults will head to the mall to buy stuff when they are

feeling down. This is at best a short-term fix, and they can expect to feel empty and disappointed much of the time, as material goods cannot hope to fill the void of needed meaningful bonds.

So what should a conscientious family business leader do? You have worked hard and want to be able to send your children to the best private schools, or even to indulge them in designer clothes; will you curse them for life with such choices? Of course not! Wealthier families can afford a range of goods and services that may not be affordable to all, and spending money on quality products is not a problem. The problems come when material goods serve as a stand-in for other needs (like love and attention), or when money and stuff are seen as the “end goals” in and of themselves.

The good news in the context of a family enterprise is that while the business may facilitate your spending, and could put you at risk for over-indulging your kids with material goods, a family business is also a terrific platform to teach young people about core values that will serve them well in all aspects of their lives. While every business has its own unique formula for success, the following five core principles are likely found at most successful family businesses. Make a point of regularly stressing these with the younger generation, illustrate how these core values serve the business for profit, and also serve the family in deeper and more meaningful personal successes. These principles can provide a simple antidote to the culture of entitlement that surrounds us all today:

Work Hard

A strong work ethic is a terrific value to share, as successful businesses and successful people are hard workers. The deepest appreciation a person can have for a “material thing” comes when they have worked hard to earn it – do not steal this satisfaction from the next generation by handing them every little thing they want! I remember a very wealthy client whose parents had always stressed the importance of work ethic recalling her deep, personal satisfaction in watching television at her first apartment because she knew she had earned the money to pay for this item herself, through hard work.

Create Opportunity: For Yourself and for Others

Business founders and leaders seek and create opportunities that translate into economic growth for themselves and others. There are two key life lessons to share from this: The first is to be aware of your environment and actively seek ways to be engaged and make a difference. Encourage those you love to be active agents in the pursuit of their goals, as no one should sit and wait for opportunity to come to them. The second is to engage others in success as well. There is tremendous joy to be found in helping others attain their dreams, or creating opportunities for others to engage in meaningful work. Speak to the fun that comes from working with a team of colleagues who enjoy helping you bring your business dreams to life.

Build Trust & Consensus

Running a family business, especially past the founding generation, can be very complex. Arriving at consensus – when you have family members who work in the business, others who do not, some who are local, others far away, some who know business, others not at all – is hard work. It requires an effort on the part of all, a willingness to invest in the relationships and to work on trust. However, when this is done well, decisions are enriched by the variety of inputs, and the family is unified around well-defined hopes and dreams that strengthen the business and the family. Putting in the necessary effort to build trust and arrive at consensus on any important decisions that affect more than one person is a skill that will serve individuals in all spheres of their lives.

Patient Capital & Stewardship

One of the significant competitive advantages of family businesses is their ability to make investments with a long-term horizon. In fact, a family business leader often sees him or herself as a steward of the family business; responsible to care for it for the benefit of future generations. Many meaningful goals in life require sacrifice and a commitment to see it through until the end, and individuals who are able to delay gratification in life are more successful and happier on balance. Examples of how this approach has led to business

success for the company can be a powerful learning tool for the younger generation. Note also that stewardship is in many ways the antithesis of entitlement. To paraphrase John F. Kennedy: “ask not what the business can do for you, but what you can do to make the business better for future generations...”

Invest in the Future

Preparing the business for future generations means developing a culture of continuous improvement, and not resting on their accomplishments or triumphs of the past. The habit of life-long learning is a critical skill to teach the next generation, so that they too may remain competitive in this complex world. Also, the well-run family enterprise realizes that the family is ever changing and invests in the family as well, providing the next generation with tools they will need for future ownership, developing them as individuals, and increasingly seeking their input as they come of age. This active investment in the rising generation tangibly demonstrates to them that they are valued. In addition,

it also models the value of active involvement with one's children – in their learning and in the core family bond that anchors them in so many ways. Not only does this help build meaningful connections that will do both current generations a lot of good.

While the noise of consumerism and the culture of entitlement are loud and omnipresent in our society today, if you regularly educate your family about these core principles, you can likely inoculate them against the worst symptoms of “affluenza.” Make sure you personalize these values to your family's business. Clarify how they are meaningful to your family, recount stories that illustrate these values – both as they have been applied in the business and as they have been reflected in the broader family.

The simple truth is if you live these values in your professional life and your personal life, you cannot help but find success and happiness in your pursuits. And after all, isn't that what we all want for our families?



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