AB BERNSTEIN

LIFESPAN RESEARCH FOUNDATION

WEALTHY, HEALTHY, AND WISE

What an 80-Year Study Tells Us About Finding Meaning in Success

Having worked with successful families for decades, we have found that sustaining family cohesion and financial prosperity—potentially over many generations—requires a different approach than a traditional corporate enterprise. Prosperous families come to realize that wealth alone does not provide meaning and purpose; it's what wealth can do for family and others that really makes money meaningful and creates fulfillment for individual family members. In our experience, the most successful families are those that proactively build and nurture relationships across generations over time.

The findings from the Harvard Study of Adult Development and the work of the Lifespan Research Foundation reinforce these messages. We believe this research provides insights that can enhance long-term personal fulfillment and promote strong intergenerational connections. This paper is the first in a series that we will be co-authoring with the Foundation. In this inaugural issue, two leaders of the Foundation—Bob Waldinger and Marc Schulz—share an overview of their work and insights.

Robert Waldinger, M.D., is Founder and Executive Director of the Lifespan Research Foundation, Professor of Psychiatry at Harvard Medical School, and Director of the Harvard Study of Adult Development.

Marc Schulz, Ph.D. is Senior Research Advisor for the Lifespan Research Foundation, Professor and Chair of the Psychology Department at Bryn Mawr College, and Associate Director of the Harvard Study of Adult Development.

BERNSTEIN: The Harvard Study of Adult Development has enabled you to uncover some of the key contributors to lifelong well-being. Please share with our readers the genesis of the study and some of its valuable conclusions.

LRF: Two distinct groups are part of this longtime study of human development: In the late 1930s, Harvard University Health Services began to study 268 Harvard students. At around the same time, a Harvard Law professor and a social worker began a research initiative to study the lives of 456 teenagers from the poorest neighborhoods of Boston.

In both groups, the emphasis from the beginning was on discovering what it was about these teens and young adults, and their home lives, that enabled them to flourish in life. By integrating both of these groups, from very different beginnings, we could explore the differences and commonalities in their development.

We have followed both these groups for more than 80 years, and are now working closely with the female and male children of the original participants from both groups. The study has given us a deep understanding of factors that are associated with healthier, happier lives. One major finding is the importance of relationships to psychological well-being and physical health.

HARVARD STUDY OF ADULT DEVELOPMENT

- Longest study of human development. Origins in the 1930s and 1940s
- Two cohorts: one relatively privileged group and one struggling financially
- Second-generation study added 1,300 women and men—the daughters and sons of the original participants
- Strongest predictor of health and well-being: Relationships

BERNSTEIN: We were initially drawn to your research because it is consistent with our clients' experiences. Time and again, we have seen that families who focus on wealth alone do not achieve the same level of happiness and fulfillment as those who make time to focus on nurturing family relationships.

Other than its long duration, what makes your study different from other developmental studies that have followed people over time?

LRF: Much of what is known about human development is based on what people remember about their past experiences, and, as we know, memory is subject to many errors. In our case, we know a lot about what actually happened to people earlier in their life because we followed participants and their families closely for over 80 years.

If we just take a snapshot of human behavior at any one moment in time, which is what most research does, it is hard to make valid connections between what happens in an earlier period in life and what happens later in a lifespan. Being able to engage with individuals from the time they are teenagers until the end of life is just amazing. We can watch their stories unfold and learn from how they navigated through life stages. This kind of deep knowledge is a real advantage and very rare.

We are now studying the children of the original study participants. Between the participants, their parents, and now their children, this is the third generation we have gotten to know directly. Combining data from multiple generations makes it possible for us to draw conclusions about how aspirations, decisions, values, challenges, and other foundational aspects of family life shape children's futures.

BERNSTEIN: Bob, your TED Talk summarizing some of this research is one of the most watched of all time; this tells us that people are really fascinated by this topic. What do you make of this incredible interest?

LRF: For many years, our findings have been published in academic journals, which is an important way to share the results of the scientific studies. But those articles reach a limited number of people.

We know that there is a real thirst for this kind of knowledge beyond academic communities, and we wanted to share our findings about health and happiness in a way that provides guidance to a much broader audience. For example, in our study we would ask people as they neared the end of their lives to share what made them the happiest during their lifespan. You might think they would say that getting the coveted leadership role or achieving financial success would be at the top. But what they said were things like building a family, raising healthy children, having a strong relationship with their partner, or teaching grandkids to sail. That's what stood out most in their memories. This goes back to the importance of relationships within families.

So I gave the TED Talk and more than 29 million people have viewed it. Many asked for more information and guidance about how to apply the findings to improve their own lives.

To respond to this interest we created the Lifespan Research Foundation. We've expanded our research to include other studies, making it possible to apply insights from more diverse groups.

BERNSTEIN: Tell us more about the objectives of the Foundation.

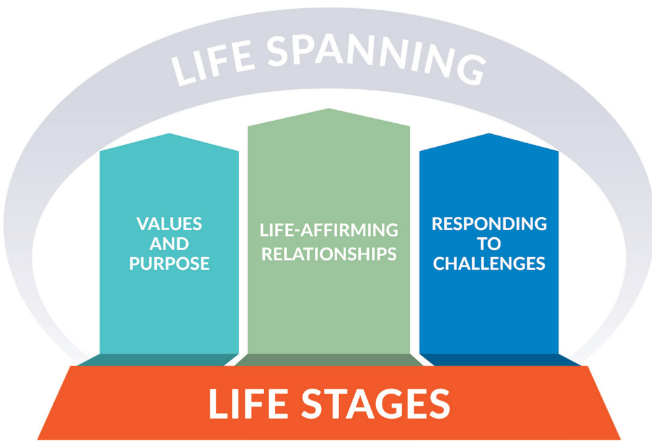
MISSION OF LIFESPAN RESEARCH FOUNDATION

[*"To promote and use lifespan research to enable people to live healthier lives, filled with meaning, connection and purpose."*]

lifespanresearch.org

LRF: One of our first major initiatives was to enlarge our research base by reviewing other relevant studies and to organize conclusions based on these findings into a framework for learning. It is challenging to review such a big literature and thoughtfully combine findings across studies. Fortunately, the Foundation has substantial expertise in doing this kind of research work.

The Foundation has an unusual combination of talent and experience. In addition to research expertise, we have colleagues who have worked for long periods of their careers in the private sector helping people develop skills for improved performance and personal well-being.



We looked at the findings from our Harvard research and hundreds of other studies and identified three main areas linked to successful navigation through life stages. They are cultivating life-affirming relationships, finding values and purpose, and responding adaptively to challenges.

We help people make sense of the events and circumstances that occur over a lifespan and the importance of understanding where they are in their life stages. People view the world and their personal situations differently depending on where they are in their life cycle. People in their 20s look at life and what they want for themselves quite differently than people in their 60s or 70s. They interpret events differently. People in their 20s aren't so concerned about their legacy and what's going to happen when they are gone. But people in their later years in life think about legacy a lot. These differences in priorities can create conflict in families.

Helping people understand what they can expect as they move through life stages and helping them know that so much of what they are going through is common to others are important lessons from a lifespan perspective. It can be a great relief to learn that other people are going through similar things; to know that it makes sense that you are experiencing a particular challenge given where you are in your life. It helps people find common ground and bridge differences across generations or between siblings.

BERNSTEIN: We are curious about how your work on "lifespanning" can help our clients and their families in navigating family challenges. Let's work through a case study.

"When I decided to share my wealth with my brother and sister, I thought it would be a nice surprise. I didn't expect the problems that it created."

When an entrepreneur in his 40s sold his business, he wanted to share some of the gains with his older brother and younger sister, as well as provide financial resources to help care for aging parents.

His brother and wife are both teachers. They have two children. His sister is married to a successful executive. They have three children.

The entrepreneur and his wife are parents of three young children.

Good intentions drove his decision to share his wealth. But what should have been a happy time of giving turned into a situation of hurt feelings and conflict that threatened family connections.

LRF: Newfound wealth in particular can affect the traditional sibling hierarchy in a family. A younger sibling who is figuring out what to do with new wealth might gain power within the family; power that he or she didn't have when growing up. The entrepreneur's success has consequences for his role and place in the family power structure. All families need to figure out a way to realign themselves as siblings grow out of their family of origin and move into their own adult lives. Money has a way of accelerating this realignment, and this can strain relationships within families.

A big wealth difference can create multiple challenges. For example, when people have different means, how do you decide who is going to pay for what? What do you do and where do you go for family celebrations or shared vacations? Paying for siblings' travel can be interpreted very differently depending on how it is carried out. Will the entrepreneur's ability to afford so much more than others make it uncomfortable to travel together? Or will it have the unintended consequence of diminishing respect for parents who don't have means to provide expensive items for their children?

Giving siblings money might be perceived by some recipients as an act of pity.

One helpful path in these contexts is to discuss your intentions and wishes before acting. Ask questions. Talk about why you want to share the money with siblings, parents, or kids. Having a conversation before making decisions goes a long way. You might start with "this is what I am thinking and why I would like to do it this way. What do you think?" Communication is particularly important with siblings, because all sorts of family-of-origin dynamics and legacies might affect how siblings perceive these situations. It also makes it possible to explore feelings about the intended use of money and worries about possible "strings attached" to the gift.

BERNSTEIN: We have found that successful families take an intentional approach to defining a shared vision or purpose. They also work to identify their individual ideals while seeking out common values around which all members can coalesce. Typically, this is best accomplished in family meetings where we create the opportunity for dialogue and serve as guides and facilitators. In the case of the entrepreneur and his wife, the need to fully understand the siblings' and parents' perspectives will be critical to successfully helping other family members by sharing financial resources.

Moving to multigenerational issues, what are the common pitfalls that get in the way of reaching agreement or threaten relationships across generations?

LRF: One big mistake is avoiding talking about things that really matter. Values and purpose are very important. Making assumptions about shared perspectives or assuming that everyone's values are the same can create big problems for families.

The other side of this coin is that when there are differences of opinion, we sometimes assume that the differences are irreconcilable because of who other people are. There is a process that psychologists call essentializing. It's when we take something that is different than us in another person and magnify it in ways that lead us to think that the other person—at his or her core—is fundamentally different and often less than you. What this really means is that we have a tendency to make a big deal about differences and assume that they reflect character or moral failings.

An antidote to the human tendency to essentialize is to adopt a stance of curiosity and openness to others' ideas. Differences are opportunities to get to know the other person and to make an even stronger connection. If you are willing to ask questions and work to understand other points of view, you are much more likely to strengthen family ties even when dealing with disagreements about money.

BERNSTEIN: Our experience is that families may seek to protect individual members by not sharing information. But transparency is usually a better choice, and actions can be taken to foster it. For example, we often encourage families to set up trusts with terms that clearly spell out expectations and preferences. So for a wealthy entrepreneur, we might advise designating a trustee other than herself or her husband in order to provide an independent perspective in the management and distribution of the trust assets.

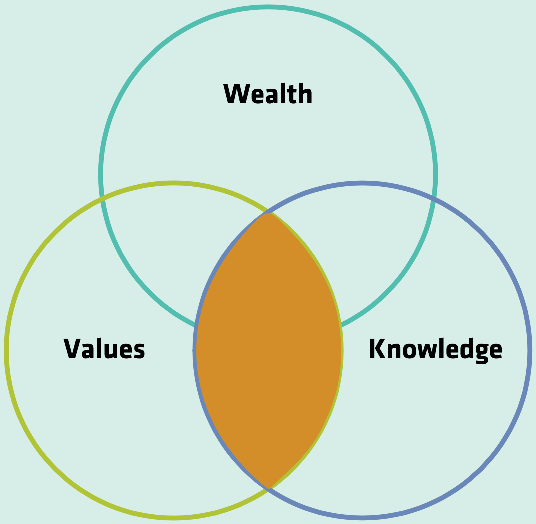
More broadly, what practical actions have you seen that wealthy families can take together to improve their relationships?

LRF: Relationships are so important that they cannot be trusted to be on autopilot. They need effort and focus. We've mentioned interest and curiosity. There are other specific ideas and practices that everyone can apply. For example: deep listening and communicating to the other person that you understand what they are saying by paraphrasing back to them rather than challenging their perspectives. This practice makes it more likely that the other person knows he or she is being heard, and this really helps in the context of challenging conversations.

Shared stories across generations about the family's path to good fortune and challenges along the way—really any important family events—is a way to strengthen connections and build common values.

BERNSTEIN: We agree that family conversations that foster open communication and trust are critical to multigenerational success. Families that encourage individual perspectives, in addition to shared perspectives, will have the highest engagement across generations. Family conversations that take place over time, not in a single sitting, should cover a wide array of topics including defining values and family legacy and sharing plans for family philanthropy. Thank you for sharing your perspective with us.

THREE THINGS YOU CAN TRANSFER TO FAMILY



Focus of Bernstein Family Engagement

We empower families to explore success beyond the **numbers**, ensuring a common vision, a shared view of the **family and philanthropic legacy**, and comfort with the **decision-making** process.

As discussed here, for families to drive toward multigenerational success they need to take a proactive approach to their relationships with a focus on communication and understanding. In our work with clients, we craft custom engagement plans and serve as a partner in facilitating family meetings and family conversations when requested. The breadth of our experience allows us to serve as both a sounding board and a guide on each family's wealth journey.

In our next paper with the Lifespan Research Foundation, we will further explore practical steps that families can take to ensure that they are on track to fulfill their vision for multigenerational success.

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