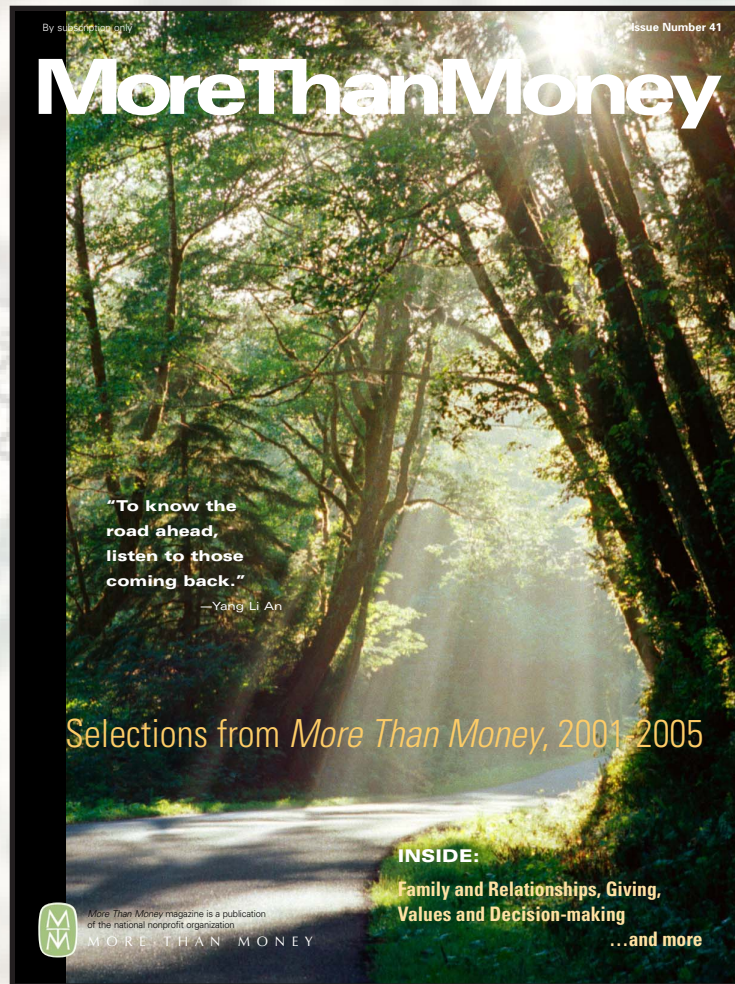


# MORE THAN MONEY

Timeless themes & personal stories | Exploring the impact of money in our lives

Archive Edition

Selections from *More Than Money*, 2001-2005



Issue 41

A Complimentary Giving Resource  
Provided By



## Welcome to More than Money Journal

More Than Money Journal, published quarterly from 1993-2006, was one of the first public forums where people shared personal stories about the impact of wealth on their lives. Groundbreaking for its time, each issue is filled with examples of ordinary people struggling to align their money and values in their spending, investing, giving, legacy, and relationships. The themes and stories in these journals are timeless and ring as true today as when they were first published.

More than Money Journal was a project of More Than Money Institute, a nonprofit peer educational network that touched thousands of people through its publications, presentations, gatherings, journal discussion groups and individual coaching. When More than Money Institute closed in 2006, its founders Anne and Christopher Ellinger (whom you'll see in More Than Money as Anne Slepian and Christopher Mogil) went on to launch another initiative called Bolder Giving. Individual articles from the journal were archived online with the Project on Civic Reflection.

Today, Bolder Giving is thrilled to be able to offer full back issues of More than Money Journal as a resource for families with wealth, philanthropic advisors, and all those exploring the impact of money in their lives. On the Bolder Giving website you can download issues individually.

Online, you can also order beautiful bound copies where 6-10 issues of the journal are compiled by theme:

- Giving
- Lifestyle, Spending & Investing
- Money and Values
- Children and Inheritance
- Money and Identity

*(See full listing on back page of this journal)*

We hope that More than Money Journal brings you fresh ideas for aligning your money and values, and that you use the stories to start conversations with your own clients, family members, and friends. (Note: We have removed many last names from the personal stories in the journals, to protect the privacy of those who gave us permission before the days of internet).

## About



More Than Money Journal roams the full territory of money and values. Bolder Giving has a more pointed mission: to inspire and support people to give at their full lifetime potential. A national, non-profit educational initiative, Bolder Giving invites you to help create a culture of greater generosity and to take your next step in becoming a bold giver.

At [www.boldergiving.org](http://www.boldergiving.org) you will find interactive tools and resources to help you explore three ways of being bold:

- Give More:** explore your lifetime giving capacity.
- Risk More:** step beyond your giving habits.
- Inspire More:** spark conversations about bold giving.

Bolder Giving's resources include:

**Stories of Inspiration-** The Bolder Giving website features stories of over 100 remarkable givers who have given at least 20% of their income, assets, or business profits. We host monthly teleconferences and web chats for informal conversations with these bold givers. Bolder Giving's stories have been featured widely in the press - on CBS and ABC evening news, in People and Inc. Magazines, The Chronicle of Philanthropy and elsewhere - and speakers are available for presentations and media interviews.

**Support for Donors-** Bolder Giving provides giving tools such as personal coaching, referrals to donor networks, workshops, the Bolder Giving Workbook and other publications, and a content-rich website. Please see the list of publications in the back of this magazine.

**Resources for Advisors-** Bolder Giving offers presentations, workshops, and publications for fundraisers, financial professionals and philanthropic advisors.

We invite your participation and support.

Thanks to the financial support of a few foundations and many individuals, Bolder Giving is able to offer free downloads of More Than Money Journal on our site. If you receive value from this publication, we invite you to donate online or contact us to explore ways of being involved as a donor, partner, or volunteer. Bolder Giving is a 501(c)3 tax-exempt organization, so all contribution are fully tax-deductible.

### Contact Us

#### **Bolder Giving**

330 West 38th Street, Suite 505 New York, NY 10018

Telephone: 646.678.4394

[info@boldergiving.org](mailto:info@boldergiving.org) / [www.boldergiving.org](http://www.boldergiving.org)



# Contents Selections from 2001-2005

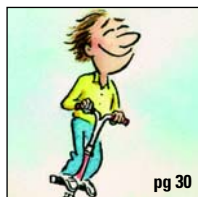
<b>From the Editor</b>   Don't Go Back to Sleep <i>by Pamela Gerloff</i> .....	3
<b>More Than Money</b> .....	5

## Family and Relationships



<b>Resolving Family Differences</b>   <i>Asking the Big Questions</i>   An Interview with Charles Collier ...	6
<b>The True Thank You</b>   <i>Choosing My Own Way</i>   By Michael Huang .....	9
<b>Respect in Families</b>   An Interview with Sara Lawrence-Lightfoot .....	10
<b>Avoiding the Family Fight</b>   An Interview with Les Kotzer .....	12
<b>Public, Private, or Home School?</b>   Viewpoints from More Than Money members .....	16
<b>Talk to Me...</b>   <i>Initiating "The Inheritance Conversation"</i>   Thoughts from Dan Rottenberg .....	19
<b>From Trophy Wife to a Meaningful Life</b>   An Interview with Carol Setters .....	20

## Giving



<b>Sorting It All Out</b>   <i>What is Effective Giving?</i>   By Pamela Gerloff .....	22
<b>Does Your Giving Hit All the Marks?</b>   By Anne Slepian .....	26
<b>Respect and Trust</b>   Excerpt from a conversation with Kavita Ramdas .....	27
<b>Think Big, Think Small</b>   Excerpt from an Interview with Steve Kirsch and Wayne Muller .....	27
<b>10 Tips for Artful Giving</b>   By Ruth Ann Harnisch .....	28

## Happiness and Meaning

<b>What Happy People Know</b>   An Interview with Dan Baker .....	30
<b>From Building a Résumé to Building a Life</b>   Thoughts from Kim Boucher .....	34

## Work

<b>Finding Your Real Work</b>   Thoughts from Diana Paolitto, Vicki Robin, Rod McCowan, and Molly Stranahan	36
---	----

## Values and Decision-making



<b>Ethical Fitness</b>   <i>Choosing between Right vs. Right</i>   An Interview with Rushworth Kidder .....	38
<b>The Good Life</b>   Excerpt from an interview with Peter J. Gomes .....	42
<b>Finding Fun in Unexpected Places</b>   By Christopher Mogil .....	43
<b>Wealth Transfer in an Age of Affluence</b>   Excerpts from an Interview with Paul Schervish ....	44
<b>Wealth</b>   <i>We Didn't Get Here On Our Own</i>   By Chuck Collins .....	46
<b>To Whom Much Is Given</b>   An Interview with William H. Gates, Sr. ....	47
<b>The Second Revolution</b>   <i>The Way Leaders Live Their Lives</i>   By Bob Kenny .....	48

## New Concepts



<b>Standing Up to Rankism</b>   An Interview with Robert Fuller .....	50
<b>The Power of Integrity</b>   By George Thompson .....	53
<b>Creating a Giving Culture</b>   An Interview with Bernard Lietaer .....	54
<b>Advertising</b> .....	60

# Don't Go Back to Sleep

By Pamela Gerloff

*The breeze at dawn has secrets  
to tell you.*

*Don't go back to sleep.*

—Jalalu'd-Din Rumi

Once, when I was in high school, I was scheduled to play a piano prelude at our church's Easter Sunday service. My mother woke me up very early that morning so I would be ready on time, but instead of rising immediately to get washed and dressed, which would have been my usual pattern on such a day, I closed my eyes and went back to sleep. (My horrified mother discovered me still sleeping at the time we should have departed; I jumped up, slapped myself together, and we made it to the church just in the nick of time.)

*What made me go back to sleep, I have sometimes wondered, on such an important occasion?* The answer, I believe, is nothing other than human nature. Once

awakened, we humans have a pretty strong tendency to go back to sleep, literally and figuratively. That may be why, for so long throughout human history, saints and sages, artists and philosophers, and political and social activists of various traditions and persuasions, have urged humanity to "wake up." In our modern era, we find the message carried by the likes of filmmaker Spike Lee, who tucks into the beginning of each of his films the words "Wake up!"

To the thirteenth-century mystical poet Rumi, awakening was fundamentally about waking up to the love within

---

**"The pull of the old  
world, the old life,  
is strong."**

---

our own hearts, the same love that he experienced as pervading and underlying all of life. To fifth-century philosopher Socrates, it was about waking up to Truth and Goodness. To modern-day ethicist Peter Singer, economist Jeffrey Sachs, or writer and activist Arundhati Roy, it is more about waking up to the suffering that exists all around us, so we may be motivated to do something about it. Whatever its focus or flavor, awakening seems to involve—in its essence—the task of waking up to our own capacity for greatness.

To me, connecting to our own—and others'—capacity for greatness has always been the essence of *More Than Money*. Our goal with the magazine has been to provide readers with glimpses of greatness. *More Than Money* interviews, articles, and personal stories have been from and about people, projects, and

ideas that not only inform and inspire, but subtly prompt us to recall and reflect on our own experience, to understand in a new way, and to re-commit to our values and live them in the world. In the process of reading, reflecting, and discussing with others, we touch our own greatness. In so doing, we naturally share our best selves with the world.

Yet the human tendency is to go back to sleep. The pull of the old world, the old life, is strong.

Various people in this issue reflect on the challenge of living their values in the world. Bob Kenny, discussing that challenge, writes "my goal is to live with awareness and intention, integrating my values into everyday life. But sometimes I wish it were easier. As I honestly admit how tough it is for me, a leader in an organization dedicated to putting values above money, I recognize with trepidation what that portends for the country, and indeed, the world."

Most of us are all too familiar with the human challenge of making our actions congruent with our espoused values, in any sphere of life. However, I have come to believe that much of our difficulty arises because we tend to overlook a fundamental first step. To fully live our greatness—to stay awake to it in the world we live in—a clear commitment is required. As explorer W. H. Murray wrote in *The Scottish Himalayan Expedition*, "Until one is committed, there is hesitancy, the chance to draw back, always ineffectiveness. Concerning all acts of initiative (and creation), there is one elementary truth, the ignorance of which kills countless ideas and splendid plans: that the moment one definitely commits oneself, then providence moves too...raising in one's favor all manner of assistance, which no man could have dreamt would have come his way."

To stay awake to continued on p. 4

FRANK MONKIEWICZ



*Pamela Gerloff, Ed.D., is the editor of Issues 26-41 of More Than Money magazine. The founder of Compelling Vision, she is a*

*writer, educator, and consultant helping adults and young people find and live their dreams, in alignment with their life purpose. She is currently president of the board of Bread for the Journey, an international nonprofit organization that promotes grassroots philanthropy. She holds a doctorate in human development from Harvard University and may be reached at gerloff@post.harvard.edu.*



© GETTYIMAGES. ALL RIGHTS RESERVED.





# MORE THAN MONEY®

**Pamela Gerloff** *continued from p. 3*

the greatness within us, first and foremost, we need to commit to it. We need to *decide* not to go back to sleep. In my experience, the initial decision is actually the hardest part. Once we truly decide, the way becomes clearer and all manner of assistance comes to help us fulfill our commitment—including the grace to persevere, to “stay awake” when the going gets tough.

This special issue of *More Than Money* presents selections from the past 15 issues—the issues during which the magazine has appeared in its current format. The collection is in no way comprehensive, and indeed, it has not been easy to leave out so many wonderful voices. We simply present here the kind of food for thought we are known for, the kind of fare that gently awakens us to our own true selves.

In this time of much change in the world, greatness of all kinds is needed—from each and every one of us. As the depth of the world’s need makes itself known—on the nightly news, in our towns, in our neighborhoods, in our families—we are being called to respond. For some, that may mean new directions; for others, a quiet re-dedication to our own highest values. Whatever your personal calling, may this collection of timeless wisdom serve as a new awakening, and re-inspire you to know and live your own greatness.

*Pamela Gerloff*

*The greater danger for most of us  
is not that our aim is too high  
and we miss it,  
but that it is too low and we reach it.*  
—Michelangelo

**Editorial Policy:** The views expressed in *More Than Money* magazine are not necessarily those of More Than Money. We encourage and support respectful dialogue among people of diverse viewpoints. In each issue, we provide a range of perspectives on a topic to stimulate reflection, conversation, and inspired action.

## The Magazine

**Editor** Pamela Gerloff, Ed.D.

**Deputy Editor** Jane Gerloff, Ph.D.

**Associate Editor/Advertising Manager**  
Mara Peluso

**Designer** Joyce Hempstead

**Proofreader** Valerie Hendricks

## Editorial Advisory Committee

Ruth Ann Harnisch, *The Harnisch Family Foundation*

Beverly Keel, *Middle Tennessee State University*

Robert A. Kenny, Ed.D., *More Than Money*

Betsy Leondar-Wright, *United for a Fair Economy*

Molly L. Stranahan, Psy.D., *The Summer Institute*

## Co-Founders

Allen Hancock

Christopher Mogil

Anne Slepian

Printed with soy-based inks on recycled paper.  
ISSN 1081-2598

©2005 by More Than Money. All rights reserved. No part of this publication may be reproduced, in whole or in part, without the express permission of More Than Money. For reprint rights, contact More Than Money at 866.306.8200 or email [editor@morethanmoney.org](mailto:editor@morethanmoney.org).

More Than Money® is a registered trademark of the national nonprofit organization More Than Money®.

## Please Help Us Spread the Word!

More Than Money grows through word of mouth. Please share a copy of *More Than Money* magazine with a friend, family member, colleague, or client.

## To read more...

Back issues of *More Than Money* magazine are available for purchase at \$12 each. (Call for bulk order prices.)

- | ISSUE | ISSUE THEME   |
|-------|---|
| #39   | Money and Children  |
| #38   | Money and Happiness   |
| #37   | Money and Community   |
| #36   | Money and Work  |
| #35   | Money and Leadership  |
| #34   | The Art of Giving   |
| #33   | Embracing the Gift:<br>The Great Wealth Transfer<br>(Part II) |
| #32   | Passing the Torch:<br>The Great Wealth Transfer<br>(Part I)   |
| #31   | The Everyday Ethics<br>of Wealth                              |

(See enclosed order envelope.)

## The Organization

### Founders

Christopher Mogil, M.A.

Anne Slepian, M.S.W.

### Board of Directors

Jeff Weissglass, J.D., M.P.P.M., Chair

Elizabeth D. Glenshaw, Treasurer  
*Calvert Foundation*

James A. Babson  
*The Paul and Edith Babson Foundation*

James J. Gallagher, Ph.D.  
*Gallagher Family Fund*

Jane Gray  
*Filmmaker*

Ruth Ann Harnisch, Chair Emerita  
*The Harnisch Family Foundation*

Susan Irene Master  
*Philanthropist in Progress*

Charles D. Wattles  
Christopher Mogil, M.A., *Ex-officio*  
*More Than Money*

Anne Slepian, M.S.W., *Ex-officio*  
*More Than Money*

### Board of Advisors

Raffi Cavoukian, *Founder of Child Honoring*  
Thomas W. Keefe, J.D., *University of Wisconsin*  
*Oshkosh Foundation*

Mark McDonough, M.A., M.B.A.  
*Time Banks USA*

Vicki Robin, *The New Road Map Foundation*  
Paul G. Schervish, Ph.D., *Center on Wealth and*  
*Philanthropy, Boston College*  
Molly L. Stranahan, Psy.D., *The Summer Institute*

## STAFF

### Executive Director

Robert A. Kenny, Ed.D.

### Director of Administration and Communications

Jane Gerloff, Ph.D.

### Editor, More Than Money magazine

Pamela Gerloff, Ed.D.

### Director of Operations

Stacey Whitney Brown

### Director of Membership Services

Mara Peluso, M.P.A.

### Web and IT Coordinator

Helene Newberg

More Than Money is a national nonprofit educational organization serving people who want to make wise decisions in an affluent era. Through a national dialogue about the impact of money on ourselves, our families, and our communities, we support ethical, values-based decision-making and foster new understandings of the purpose, potential, and challenges of money.



SAVE THE DATES!

**More Than Money**

**National Members' Gathering:**

*Reflection and Connection*

**Monday, October 17 - Wednesday, October 19**

at the beautiful Trinity Conference Center, West Cornwall, Connecticut  
[www.trinitywallstreet.org/center/index.html](http://www.trinitywallstreet.org/center/index.html)

Join 50 readers and thinkers—members of More Than Money—for vibrant and provocative conversations, discussions, and questions about:  
 Money, Meaning, and Values

*You'll be Informed*

Meet others who use their money, time, and energy to support what they think is important. Together, we'll consider how to apply the lessons they've learned in our own lives.

*You'll be Inspired*

Each session will encourage reflection to help us identify and remove blocks to aligning our financial decisions with our values.

*You'll be Engaged*

in More Than Money's ongoing exploration of how to bring these important discussions into our lives and our communities.

*You'll be Supported*

There will be resources available to help you:

- personal coaching
- a members' forum where information about favorite causes and nonprofit work can be exchanged
- More Than Money exercises for developing your own thoughts
- new connections with caring and thoughtful peers

Join us for this intimate gathering. (Sorry, we can accommodate only 50 people.)

Please visit [www.morethanmoney.org](http://www.morethanmoney.org) for registration information.

**Our strength as an organization depends on people joining us in our mission! We encourage you to**

- **become a member.** Benefits include a 1-year subscription to *More Than Money* magazine; discounts on our programs, events, and resources; access to online research and discussion groups; and opportunities for individualized coaching, for an annual fee of \$150;
- **subscribe** to our magazine, *More Than Money* (\$45 per year);
- **participate** in our programs and events;
- **support** us through gifts and grants.

*More Than Money is a national nonprofit educational organization.*

**What we provide**

- **a community** of peers, friends, like-minded colleagues, and role models
- **opportunities**—in a safe and caring environment—to share stories, reflect, ask big questions, engage in moral inquiry, and discern what we care about—as individuals, families, and communities
- **access** to educational and action resources, including articles, books, web sites, and networks and organizations engaged in similar work

**Our programs and offerings include**

- **our quarterly magazine**, *More Than Money*, in which people talk about the choices they are making about money and how those choices affect their lives
- **workshops** on selected topics (investing, spending, giving, relationships, and more)
- **regional conferences**
- **in-person discussion groups** across the country
- **electronic discussion groups**
- **a colloquium series featuring outstanding speakers**
- **individual consultation** and coaching
- **collaboration with financial professionals** to help address their clients' questions about values and money

# Resolving Family Differences

## Asking the Big Questions

An Interview with Charles Collier

Interviewed by Pamela Gerloff



*Charles Collier is senior philanthropic advisor at Harvard University and works with individuals and families on issues of strategic philanthropy and family cohesion. His book, *Wealth in Families* (Harvard University, 2001), helps families think about financial wealth and its effects on their lives. Mr. Collier is a senior fellow of The Philanthropic Initiative and serves on advisory committees at the National Center for Family Philanthropy and the Family Office Exchange Learning Academy.*

**MTM:** Your book, *Wealth in Families*, stresses the importance of families asking what you call “the big questions.” What do you mean by that and how does it help resolve family differences?

**Collier:** I think asking essential questions is a key to family cohesion. I call it “the art of questions.” When I ask parents what they want for their children, they say: “I just want them to be happy.” Then I ask an important question: “What will make them truly happy?” They typically respond, “Being passionate about something.”

There are things more important than money in a family, but so often we act as if money is what matters most. I would say that the most important things in a family are a sense of purpose, meaning, and identity—and that having those qualities is what will make your children happy. So the question to ask becomes: “How can we nurture the growth and development of our family members, and what role does money play in their life journey?” By discussing that question, financial tensions and family differences may be resolved more harmoniously.

**MTM:** Are there other questions families need to ask themselves?

**Collier:** Before families can make effective decisions about money, they ought to ask themselves a number of big questions, chief of which are: “What is the meaning of our family’s financial wealth?” “What does our family want to

preserve besides our financial wealth?” and “What is our family’s purpose?”

**MTM:** How do families answer those questions?

**Collier:** First, families ought to understand that they have four dimensions to their family’s wealth (as developed by the faculty of the Family Office Exchange Learning Academy):

*Human capital* has to do with talent, skills, and “calling.” Human capital needs to be nurtured and grown over a lifetime. To do that, you can ask your children: “What are you good at? What are your talents and gifts and how can we invest in them?”

*Intellectual capital* is about knowledge, communication, and managing family differences and conflict. To foster the development of intellectual capital, you can celebrate differences in learning styles, encourage lifelong learning, and think deliberately about family governance.

*Social capital* has to do with civic engagement, developing bonds and networks to your community, and extending care beyond your own family. To develop your family’s social capital, you need to ask: “How do we raise compassionate children? How do we encourage our children to form and sustain a commitment to the public good?”

*Financial capital* is your money and other assets, such as stocks, bonds, and real estate.

I suggest that the purpose of financial capital is to enhance the other three



dimensions of true family wealth. The real wealth of your family is not financial. Financial wealth is simply a tool to enhance the growth of every family member, no matter what life journey they are on.

**MTM:** Would you say more about how asking the questions resolves differences and promotes family harmony?

**Collier:** Just asking these fundamental questions is not enough. You need to act on the answers. For example, you might ask your son or daughter, “What is your passion?” and “How can we invest in your talents and interests?” If a career as a boat builder is not your family’s definition of success, yet that’s what your son or daughter wants to pursue, then what do you do? You need to allow your children to dream their own dreams, but it’s not easy.

Parents may want to ask themselves, “In what ways are we using money as a form of control?” I would say a key issue in wealthy families is the inability to let go of their children. For example, when a young person in their late twenties rejects the family money, there is often an issue around control. The individual may have the perception that the parents are controlling him or her with money—and the parents actually are! The issue is not really about money—money is the tool for control. To resolve the relational issue, parent and child have to reach out to one another. Usually, it is a parent who needs to take the first step by reflecting on his or her contribution to the relationship.

Many wealthy families tend to over-protect and rescue their children. They often think money can “fix the problem.” For example, they or their lawyer will call the boarding school headmaster to get their children out of trouble.

## Legacy Planning: Letting Go

When transferring assets to the next generation, these steps will help you release control and promote children’s financial competence and independence:

1. Transfer the money in flexible trusts.
2. For children who are beneficiaries of trusts, include them as co-trustees.
3. Think about one of the trustees being someone outside the family who can act as a mentor.
4. Give the child a say in who the third trustee is.
5. Pay for your son or daughter to have his or her own fee-only financial planner (not the same as yours).

—Charles Collier

I like to remember what Albert Camus said: The purpose of all that love is that they shall separate.

**MTM:** How might “the big questions” affect family communication?

**Collier:** When you are deciding what to do with your financial resources, if you start with the question, “What is the meaning and purpose of our family’s financial wealth?” the decision process has the potential to enhance communication and personal growth for the whole family. The process itself holds within it the statement of what the family values. For example, if a family decides to leave 90 percent of its money to the family, 10 percent to tax, and nothing to charity, just as important as the final decision is the process that was used to reach it. Having that discussion over time among family members holds enormous possibility for growth and for clarifying the family’s values, as well as for enhancing everyone’s human, continued on p. 8

© 2002 THE NEW YORKER COLLECTION FROM CARTOONBANK.COM. ALL RIGHTS RESERVED.



*“Before we begin this family meeting, how about we go around and say our names and a little something about ourselves.”*



**Collier** *continued from p. 7*

intellectual, and social capital. If the parents make the decision alone, the children may feel disenfranchised—they may feel as if their parents do not value their contribution, as if they do not value them as people.

That is the ultimate decision—how are you going to address these questions? Engaging in these kinds of conversations with your family over time forces you to think about your values, to communicate, to resolve conflict, and to be lifelong learners. It's not something you do in one weekend retreat. The process itself is an incubator for the competencies of the four capitals, including how the family will deal with money in the next generation.

**MTM:** Do you do this in your own family?

**Collier:** I'm trying! In my family, something positive that grew out of this approach happened recently with my father. He is 88 and has 10 grandchildren, and has sometimes shown more preference to some of his grandchildren than others. Because of family meetings we have had, my siblings and I decided to tackle this unevenness. We convinced him to email all of his grandchildren and their spouses, offering them \$250

each to give to a cause they cared about. His only request was that they call him and discuss what cause they wanted to give to and why it is important to them.

My father was glad that we suggested this idea. He learned a great deal about each of his grandchildren as individuals. He was thrilled by their passions and the variety of their interests. Also, this exercise was important in that he made a statement to his grandchildren (independent of their parents) that charitable giving is important. The grandchildren all had a positive experience around giving. The amount of money was not important; the process was.

**MTM:** It sounds as if you have had good results with family meetings. Would you say more about them?

**Collier:** Because of positive experiences in my own family, I'm a great advocate of family meetings. They send two wonderful messages: You count, and you belong. This is a process that takes time, but you can get noticeable effects fairly quickly. You may struggle in the first meetings to get it right, but it will get better over time. [See sidebar, Family Meeting Tips.] Some family topics are so emotionally charged that you need an outside facilitator. A facilitator will often interview individual family members before a meeting. I know of families who, with a capable outside

### Family Meeting Tips

- Rotate the leadership of the meeting among family members. (Sometimes you may need an outside facilitator.)
- Give everyone input on the agenda.
- Meet regularly; for example, at least once a year as an extended family, and more often with committees (such as a family foundation meeting).
- Start your first family meeting by talking about family stories, traditions, rituals, or history, before tackling more sensitive issues, such as financial wealth and family philanthropy.

—Charles Collier

facilitator, worked through issues and, in six months, resolved serious conflict and increased family cohesion. Of course, it entailed a commitment of time and effort.

It's important to remember that enhancing family harmony is a learning process—and it can take a lifetime. I like to think of the learning curve. You start out at the bottom, where you're in a state of "chaos." Then you grow more competent as you go along. Eventually, you may level out, and then you might start off in a direction of learning something new, or of staying where you are and going deeper into that learning. I like to ask families: Where are you on the learning curve? Where is your family on the learning curve? What are you called to do next? What impact does your family want to have? ■

Charles Collier's book, *Wealth in Families*, is available (in single copies or in bulk) from Harvard University. To order, call: 617-495-5040.



**For more articles, interviews, and personal stories about family and relationships, see *More Than Money*, Issue 39, "Money and Children," 2005.**

*Reprinted from More Than Money, Issue 30, "When Differences Divide: Resolving Family Tensions Around Money," 2002, pp. 12-14.*

# The True Thank You Choosing My Own Way

By Michael Huang

The end of my junior year was looming closer and closer, and I did not know what I wanted to do after graduation. I have always been a “science person,” but medical school just wasn’t appealing enough to me to be worth enduring four more years of schoolwork, and I was losing interest in my laboratory research. As I was walking to dinner one evening, I had an epiphany: Perhaps the ideal choice for me would be veterinary school. It would combine both my love of science and my love of animals.

To confirm the soundness of my new career choice, during the summer between my junior and senior years I worked at two veterinary clinics. Having enjoyed those experiences, I applied for veterinary school in the fall. Life, however, is never that simple. My parents, who I hoped would be my biggest supporters, instead have become obstacles to veterinary school.

My mother has explicitly stated that she has less respect for veterinarians than she does for human doctors. My parents will not financially support me as much as they did my sisters if I am “only going to become a vet.” My mom wonders aloud why she bothered sending me to Yale. My father also disagrees with my choice to apply to vet school, which has now become the cause of numerous household conflicts. My parents assiduously emphasize the lower salary and respect for vets in our society as compared to medical doctors. They do not comprehend that I understand that these are the realities of veterinary medicine, but I consider them to be easily outweighed by the rewards of the profession. Furthermore, these negatives do not reflect the inherent value of

*Reprinted from More Than Money, Issue 39, “Money and Children,” 2005, pp. 20ff.*



*Michael is 21 and a senior at Yale University.*

---

**“My mom wonders  
aloud why she  
bothered sending  
me to Yale.”**

---

the profession, but rather the skewed priorities of our society.

I understand my parents’ history. I know that, as Chinese-Americans pursuing the American dream, they have worked and sacrificed for me. Both of my parents grew up poor, but through hard work and auspicious timing, they have achieved their dream. They have made a remarkable climb up the socioeconomic ladder. My grandfather embarked on a one-way, two-week-long journey to America with \$60 in his pocket and his

ten-year-old son, my father, at his side. My mother spent her childhood living in the laundry service that her father owned in San Francisco’s Chinatown. She showered under cold water that poured from a hose propped above the door. Her grandfather had come to America in the first wave of Chinese immigrants to build railroads. From the railroad to the laundry, my ancestors exemplify the stereotypical Chinese immigrant story.

The struggle of my ancestors has allowed me to acquire a good education and the opportunity to find and pursue my passion in life. I feel that if I do not live a productive and meaningful life in my own eyes, it will be egregiously disrespectful to my family and our history. Now is my chance to do more than succeed financially.

Yet, my parents’ concerns about veterinary medicine are not just financial. They simply do not believe I will be happy. They don’t

continued on p. 15



# Respect in Families

An Interview with Sara Lawrence-Lightfoot

Interviewed by Pamela Gerloff



*Dr. Sara Lawrence-Lightfoot, a sociologist, is Professor of Education at Harvard University. Her works include Balm in Gilead: Journey of a Healer, I've Known Rivers: Lives of Loss and Liberation, and The Good High School: Portraits of Character and Culture. Her most recent book, Respect: An Exploration (Perseus Books, 1999), is an in-depth examination of the nature of respect as it occurs in individual lives.*

*Dr. Lawrence-Lightfoot is the recipient of numerous awards, including the prestigious MacArthur Prize and*

*Harvard's George Ledlie Prize for research that "makes the most valuable contribution to science and the benefit of humankind." She is chair of the board of the MacArthur Foundation.*

*Here, she offers reflections on how respect applies to families and money.*

**MTM:** What is respect and why is it so important in families?

**Lawrence-Lightfoot:** Most people who study respect talk about it very differently than I do. They talk about it in a hierarchical, pyramidal way—with the more powerful people at the top and the less powerful at the bottom. Those at the bottom are supposed to be deferential to those who have more skills and more power. Approval is given to those at the higher end of the totem pole. One is respectful to one's elders, to one's teachers, to the CEO of the company. It's fairly impersonal.

My approach is to reframe the whole notion of respect. The image I use is of a circle, rather than a pyramid. Even if there are differences in power, knowledge, or resources, there is still a symmetry and equality to respectful relationships. It is respect that creates that symmetry.

I watch for the nuance and detail of how people communicate respect—how it really looks in action. Respect is rarely carried just in talk. We see respect more clearly in behavior, action, and interaction. Children learn about respect primarily through watching their parents operate—watching how they treat their neighbor, or how their parents show respect with money when the children are given an allowance.

In families, it is respect that generates a feeling of empathy for one another and appreciation for what each contributes in different ways. This respect builds trust and communication. An example is the common scenario where one spouse is making most of the money—or there is some other unequal amount of resources coming in. That should not mean that the person who is bringing in more resources should get more respect. In our society, so much of people's worth gets equated with how much money they make—with material resources and wealth. The view of respect I take challenges those inequities and those hierarchies that are based solely on material resources.

So I view respect as carrying empathy and trust and communication among equals. Whoever you are, you are worthy of respect. That respect creates the equality.

**MTM:** How can families cultivate respect?

**Lawrence-Lightfoot:** It's more about doing and embodying than it is about telling and teaching. When I was a small child and lived out in the country with my family, we would sometimes come into New York City in our Ford station wagon, with my siblings and me in the back. I remember driving across the George Washington Bridge and my father paying the toll, which was 50 cents at the time. The people who collected the tolls wore uniforms, and they had their names on them. My father would greet them every time, saying, "How are you, Mr. So-and-So? How are you doing today?" He would look directly in the man's eyes. He established contact. He would always reveal a kind of respect for this man and what he was up to. I remember that, and watching the man's surprise that anyone would greet him by name and actually look into his eyes. There was a wonderful moment in that surprise. I remember watching that as a child, and then later, *anticipating* that—and getting such pleasure out of seeing my father doing that.

Children do that. They watch their parents cultivate respect in their relationships. This giving of respect can feel almost invisible. It is carried in those small gestures—not in great, bold proclamations, but in small moments of surprising intimacy and empathy. It is particularly important for people who are "invisible" in society to experience



this kind of respect, because we generally don't pay attention to the work they do or the contributions they make.

**MTM:** In your book, you discuss different dimensions of respect. How do those relate to family differences and money?

**Lawrence-Lightfoot:** *Empowerment* is one dimension I explore. When we are respectful of others, we try to figure out a way to offer them the knowledge, wisdom, and resources that they need to be able to take care of themselves and navigate in the world. One way to give respect is to share information; to help the other person in a relationship or family develop financial skills and knowledge, as well as the resources needed to take part responsibly in that process. Imagine a conversation about money where you are not withholding information, not keeping secrets; instead, you are offering up what you know about

time and is passed on to the next generation. In couples, each partner comes with a different curriculum. Respectful relationships need to begin to expose the principles of those curricula and to enter into a dialogue that expects conflict and is able to move through it toward reconciliation. This is not just one dialogue—it isn't as if you sit down at the kitchen table and say, "Let's get this settled"—it is a conversation that is reiterated time and again. These are deeply held values and it's important to be able to discuss them over time. People's perspectives change and evolve and the dialogues need to be able to address those developments.

*Attention* is the quietest of all the dimensions of respect. When you are respectful of another, you try to listen and be receptive to what a person is really saying. It doesn't necessarily mean that you are always quiet. One can attend in a dynamic and vigorous way. So much of what we take for communication and

money to control and manipulate and keep their children dependent. Navigating that treacherous relationship requires a great deal of respect.

I remember my children saying, "Mom, be quiet and listen to me." When I don't listen with this quality of attention, they experience me as talking over them, not really being prepared to listen to them. But when I bring my full attention and open myself up to whatever their point of view is—when I put myself in their shoes empathically, to see what this money thing might be for them, they feel I'm really listening, a sign of respect.

So all of these are vital to respect in families—*empowerment*: giving kids, and others, the resources and knowledge to act responsibly and to be accountable in reference to money; *dialogue*: learning how to move past differences toward understanding and reconciliation; and *attention*: having your receptive antennae up, being restrained, not talking over others, trying to genuinely listen in a complete way to where they're coming from. Respect is carried in all of that and might have a whole lot to do with figuring out a way to put money in its rightful place in families.

---

## "To be respectful in families is much harder than out in the world."

---

money, and the ways you know of to take care of it. Respect is carried through the empowering process. As you empower others, you are offering them respect.

Another dimension I examine is *dialogue*. This involves communicating honestly, listening to the interplay of ideas, developing a discourse that's meaningful and authentic, and finding a way to move through misunderstandings—even through rage and anger, towards reasoning and reconciliation; hanging in there and trying to go back and renegotiate the conversation. Those are crucial for conversations about money, which can be so hard to talk about in families.

With money, we all come carrying such baggage from our own families of origin—how we were raised to attend to money, to value it, to hoard or not hoard, splurge or not splurge. Every family has a money curriculum that gets taught over

talk doesn't include genuine, undiluted listening. Being completely present and engaged is what I call attention.

Because money conversations are such hard conversations, and because people often get defensive and calculating, people tend to talk over or past one another when discussing money, instead of to one another in an engaged way. The respect we hope for in a conversation—this quality of being completely present—is really important with adolescents. I suspect that most of the fighting between adolescents and their parents is not about drugs, alcohol, or school, but about money. Money stands for both independence and dependence. To assert autonomy in our society, young people need money—they need it to take a girl out to dinner, to make a trip down to New York—but they also need to be dependent on their parents. Parents often use

**MTM:** Why do we so often not offer respect? Why does it seem so hard to do?

**Lawrence-Lightfoot:** To be respectful inside families is so much harder than out in the world. It's hard to sustain and nourish respect day by day. When a three-year-old grabs her mother's cheek and turns the mother's face toward her, so the mother has no other option than to offer this kind of attention, the child is demanding that the mother listen to her. Yet the mother is so tired and exhausted at the end of the day. The ways we know respect needs to be nourished get left at the door when we walk into our homes. But we need to be attentive to nourishing this respect—not taking people for granted; finding ways to nurture, to look people in the eyes, respond to them, and not talk over them. All of that is extremely hard to do inside families. I experience it constantly, especially continued on p. 15



# Avoiding the Family Fight

An Interview with Les Kotzer

Interviewed by Mara Peluso

**MTM:** Are you ever surprised by the emotions that are stirred up by the subject of estate planning?

**Kotzer:** Throughout my years of practice as a wills and estates lawyer, I have been shocked to observe how often the word “hate” comes up when families are dealing with their inheritances, as in, “I hate my brother,” or “I hate my dad.” My clients are expressing “hatred” toward the parents who raised them and toward their own brothers and sisters. These are the people we grew up with, the kids who played football with us in the backyard and rode to the Grand Canyon with us in the back of the station wagon. Now these “children” are 45 and hating each other to the point where they won’t even be in the same room together.

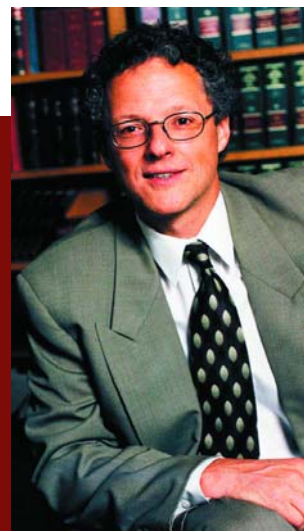
**MTM:** Why is this happening?

**Kotzer:** Because parents and kids are turning a blind eye to planning. Often the parents themselves are destroying their own families without even knowing it, by not planning now. The book I co-authored with Barry Fish, *The Family Fight: Planning to Avoid It*, is not about how to save taxes—it’s about how to save families. We need to pay attention to this issue, because we have the potential to avoid the “family fight.”

**MTM:** You say it is a growing trend that more and more people are fighting over inheritances. Why is that?

**Kotzer:** In my practice, I have seen a trend among baby boomers, who are about to have trillions coming down to them from Depression-era parents. Baby boomers, in general, were brought up to expect the best of everything. The baby boomer generation spends quite a bit—and they lost quite a bit when the market “crashed.” Until the stock market slowed down, baby boomers thought they would retire early on their investments, which had been increasing every day. Now, lots of people are afraid to open their retirement savings statements because their

*Les Kotzer is a wills and estates attorney whose area of expertise is in families fighting over inheritances. He is co-author, with Barry Fish, of The Family Fight: Planning to Avoid It (Continental Atlantic Publications, Inc., 2002). Kotzer has been featured in Time magazine, the Associated Press, United Press International, and on radio and television shows across North America.*



holdings have dwindled. The baby boomer generation (which is my generation) also has a lot of debt. Many of us are even being laid off, and it’s very hard to find work at age 55.

Our parents, on the other hand, protected their money. They didn’t go to restaurants as often as we do, they kept their cars longer, they clipped coupons and saved every penny. Therefore, baby boomers are telling me, “I may not have lots of money now, but I will in the future because Mom and Dad have this and that.” Many baby boomers are depending on their parents’ homes as a mattress of protection. Because many children feel entitled to their parents’ estate, they fight when their parents don’t handle their estate as the children believe they should.

**MTM:** And what happens then?

**Kotzer:** Because of these generational dynamics, the concept of “waiters” is becoming an increasingly common phenomenon in our practice. Once I had a client arrive in a beautiful sports car, wearing a suit that glowed in the daylight, with jewelry dripping off his arm. I said to him, “Let’s talk about what you own.” He said, “Well, my car is leased, I have a mortgage on my house...” His wife jumped in and said, “My husband is a waiter.” I was taken aback, wondering what kind of restaurant he was working in to afford him this type of lifestyle. Then it hit me: His wife meant that he was “waiting” for his inheritance. I smiled, but the phrase hit a nerve.

Since this incident, I have talked with many other people who

are in the same situation. Rather than investing or saving money, some of my clients are entirely dependent on inheriting their parents' money. I even spoke with a man who calls his brother a "wisher." His brother was not only waiting for his parents to pass on, but was wishing that his parents would pass away sooner.

**MTM:** You said that parents are "destroying their own families without even knowing it." What are the main mistakes parents make in their estate planning that contribute to the family fight? How can parents avoid making them?

**Kotzer:** The most common mistakes parents make include:

#### **Failure to plan for the event of your incapacity**

Lots of parents don't understand that their will does nothing while they are alive. With parents living longer, fighting often occurs when a parent becomes incapacitated. If you were to become incapacitated, who would take care of you? Who would do your banking or make your investments if you had a stroke or were in a car accident? The executor of your will has no power to act for you while you are sick, so your assets could be frozen.

*Solution:* Parents can avoid this problem by appointing someone as durable power of attorney for property. This enables someone you trust to step in and make financial decisions in case you can't make them yourself. In many states, you can

also write a living will and appoint someone with the durable power of attorney for health care.

#### **Failure to include provisions for your possessions in the estate plan**

Parents assume that children will not fight if their money is divided up evenly, but children do not fight over just money. Kids fight over memories. Even if you leave more to the child who needs it the most, your other child or children might be really hurt. I have witnessed awful fights over Mom's personal possessions. In one case, a daughter wanted to keep a vase that she had given to her mother as a birthday present. Her brother, who was executor of the will, was demanding that she return the vase to the estate. I had to tell her that she was obligated to return it. Rather than share the vase with her siblings, however, the daughter smashed the vase in the parking lot of my office.

*Solution:* You need a plan for how to deal with your personal items. *The Family Fight: Planning to Avoid It* discusses in detail how to deal with personal possessions.

#### **Failure to inform your children whom you have named as power of attorney and/or executor, and why**

Children fight over being slighted. They fight over who was appointed as executor or as power of attorney. In the book, we talk about one woman who learned that she was the power of attorney, but was already feeling overwhelmed by her own responsibilities, so she asked her sister to help her handle the estate. The sister refused, saying, "Mom wants you to do it. She must have loved you more."

*Solution:* Have a conversation with your children to explain your choice of executor.

#### **Failure to appropriately thank the care-giving child**

Some children wait in the hospital day after day, or even give up their job or education to take care of their parents. Their siblings, however, may live far away and never even see the sick parent. One woman I know of was a caregiver who felt slighted. After years of living in her sick mother's house to take care of her, the woman's brother was named executor of the estate. When the mother died, he threw his sister out of their mother's house. How does a parent deal with that? Does a parent give equally even though continued on p. 14

## On Waiting...

### **Loving My Dad, Not My Inheritance**

I always had the idea that I could afford to be a flake. I could afford to get thrown out of Harvard and be wild because one of these days I was going to inherit a lot of money. Then one day when I was in India, my spiritual teacher called me in and said, "Your father has a lot of money... You are not to accept an inheritance." I was startled. I said, "O.K.," while thinking to myself, "I'll deal with that when the time comes."

At the time, I didn't know whether I would honor what my guru said or not. I thought that, coming from a family of lawyers, I'd figure a way around it. Yet, on a spiritual level the mandate felt right to me. I knew that my father saw everybody as wanting his money and I didn't want to be one of those people. It would mean that he wouldn't trust my love. Ultimately, I set up a special account for any future inheritance, with the intention that every penny would be given away.

Once I shifted my intention towards my inheritance, the effect was profound. My lifestyle was no longer impeded by my father continuing to live. I hadn't been aware that I was wanting his money and waiting for him to die. Now that I stopped doing so, suddenly I was helping him remarry. He and his wife and I became close buddies. I just wanted him to be happy; he had worked hard, I wanted him to enjoy spending his money. While I never spoke to him about my intention, once I stopped wanting his money, I was freed up to love him—and he recognized that.

—Ram Dass

*Excerpted and adapted from an interview in We Gave Away a Fortune by Anne Slepian and Christopher Mogil, with Peter Woodrow (New Society Publishers, 1992).*



**Kotzer** *continued from p. 13*

one child gave up part of his or her life to help out the parent?

*Solution:* One suggestion is that parents discuss this issue and decide how to benefit the care-giving child while the parent is still alive.

### Failure to **disclose information about your will to your children**

Parents and children both contribute to the problem of secrecy. Parents are often secretive about their wills, and often, adult children cannot convince their parents to disclose any information about their wills. Sometimes a child doesn't know he or she is appointed as executor until after the parent dies. On the other hand, many children do not want to think about their parents becoming sick or dying and so they refuse to talk about it.

*Solution:* Communication is essential because death is inevitable. Careful estate planning designed to avoid family fighting, along with conversations with your children about your will, can do a lot to prevent these problems. One way to get the conversation started is to use our book as a bridge of communication. Parents often ask us to send the book to their kids and vice versa.

### Failure to **re-examine your will after getting remarried**

Parents often fail to consider the issue of second marriages. I spoke with a man whose father had a great deal of wealth and property, which he had inherited from his own father. The man's father remarried, and the man was very close with his stepfamily. The stepmother, who was executor and sole beneficiary of the father's will, promised that she would "take care of the son." When she passed away, however, she willed everything to her own children—including all of the money and possessions that her husband had worked for his entire life, as well as everything he had inherited from his own family. The son said he was not as upset by the loss of the money as he was by being forbidden to even see his family's old photographs or



BEATA SZPURA/ILLUSTRATIONS WORKS, INC./GETTY IMAGES

## Dangerous Assumptions

To avoid family fights over your estate, be careful what you assume!

### **Never assume goodwill among your children**

Never assume that because you love your kids, they'll love each other. If you have one child with debt and another without debt, don't assume one will look after the other. The pressures put on your daughter to take care of your son with debt, for example, could hurt their relationship, or could hurt your daughter's marriage.

### **Never assume that your child's marriage will be permanent**

In some cases, it may be prudent not to appoint your son and his wife as executors of your will. If you appoint your son and daughter-in-law as executors and then your son should die, your daughter-in-law would still be your executor. It's generally wiser to appoint your son and another of his siblings instead.

### **Never assume that a "homemade will" will be effective**

Because of online will-making programs, there has been an explosion of the homemade will. Regardless of how much money you have, it is worth going to a lawyer and having doc-

uments prepared for you. I have heard too many horror stories. People think it's easy to do a will on their computers, but a lot of variations and issues come up in preparing a will. For example, if you own something in joint names with "right of survivorship" with one of your children, like a bank account, your will can't divide the account among all of your children. "Joint survivorship" means that your child who is named as "joint" on the bank account with you gets that bank account and has the right to decide what to do with the money. The same thing goes with land held jointly with right of survivorship. The point is that the surviving joint account holder gets the money (or the land) no matter what the will says.

### **Never assume that your lawyer is capable of finding all of your assets**

A lot of people come to me, dump documents on my desk, and think I can find every asset. Sometimes parents have not organized their affairs and assets get misplaced or are never found. Get a detailed checklist (our book has one and there are others) so you can identify all of your assets. Then tell the children where to find the list.

—Les Kotzer

to visit his father's old home.

**Solution:** If your parent is in a second marriage, he or she must talk to a lawyer about his or her will.

**MTM:** Is there anything else you would say to parents to help keep their children from fighting?

**Kotzer:** A lot of people think they are protected from family fights because they have a will and a safety deposit box. But many may be in for a rude awakening, because their children can still have devastating disputes. Parents must use caution not to base their planning on inappropriate (albeit natural) assumptions, which often lead to family fights. [See sidebar, p. 14.] ■

*Reprinted from More Than Money, Issue 32, "Passing the Torch: The Great Wealth Transfer," 2003, pp. 10-13.*

## The Legacy We Leave

"When resolving differences gets hard and the results don't seem to pan out, we may wonder, 'Why bother?' Yet we do it not just for ourselves and our families, but for the legacy we will leave to the world. Each family's choices toward harmony offer an example to a world torn apart by conflict. We can use our differences around the highly-charged topic of money to make our families incubators of peace—learning to harmonize differences where it may be most difficult to do. Whether the outcome is happy or sad, inspiring or discouraging, as we make the effort, we ourselves become more whole."

—Pamela Gerloff in "When Differences Divide: Resolving Family Tensions Around Money," *More Than Money*, Issue 30, 2002, p. 4.

### Huang *continued from p. 9*

understand that I could become a lawyer or a doctor or any other kind of professional and they would be happier, but I would not be happier. They think I could make a greater contribution to the world in another profession. The truth is that few people make "great contributions" to the world. While I strive to be one of the few, it is not required in my definition of success.

Veterinary medicine is an area where I know I can make a positive contribution, no matter how small. The animal popula-

tion is a neglected community in our society. The lack of concern for animals and their welfare motivates me to dedicate my life toward their cause. Pain is pain, and the will to live thrives in all forms of life.

Particularly difficult for me is that every time I return from college, we have the same discussions. My parents say they support me, and yet I must justify my choice to them every visit. I value my parents' opinions, but, like most others, I do not appreciate being told the same thing over and over again. Despite being

a product of my parents, ultimately, I am a very different person from them. I know that we will not always agree (and indeed rarely do), but I want them to respect my choices.

With or without their approval, I know that I must do what I believe is right for me and what will most likely make me happy. To me, dedicating my life to veterinary medicine, a career I both value and respect, is the best thank you I can give them for all they have done for me. I hope they can see that someday. ■

### Lawrence-Lightfoot *continued from p. 11*

when I return home from being out on the road talking about my book on respect! It is then that I experience how very hard it is to actually live that message with my daughter who is 21 and my son who is 19.

It is harder, too, in families because you care so much and so passionately. The stakes are higher in doing this work of respect in your own family. Also, because respect is carried gesturally, people who love us know what we are really communicating, even when it would not be visible to those who know us less well. In a

recent fiery conversation I had with my son, he said, "I'm going to ask you to take that smirk off your face." No one else

"Respect is carried not in great, bold proclamations, but in small moments of surprising intimacy and empathy."

would have seen this "smirk," but there must have been something in the curl of my lip or the crinkle of my eye that communicated disrespect to him. He couldn't have a serious conversation with me because the expression on my face felt to him disrespectful. All of this is part of the embodiment of respect that is required in a family. It is much more rigorous than when we're out in the rest of the world. For all those reasons, giving respect is that much harder to sustain in families. ■

*Reprinted from More Than Money, Issue 30, "When Differences Divide: Resolving Family Tensions Around Money," 2002, pp. 16-18.*

# Public, Private, or Home School?

## Viewpoints from More Than Money members

*Where do you send your child to school? Public school? Private? Home-school? What are some of the dilemmas involved and how do you make your choice? The parents on these pages reflect on their decisions.*

People with the financial means to choose the schools their children will attend might automatically assume that private schools are better for them, or that they should send their children

to schools historically attended by family members. I believe that *consciously choosing* a school for our children, based on our values as parents and on our children's individual abilities, is critical to their educational success. When selecting the school that our daughters attended, my husband and I faced a very difficult dilemma. On the one hand, we are committed to citizenship and public education, and we strongly believe in the importance of enabling our daughters to interact with children from diverse backgrounds. On the other hand, we wanted to find a school that would provide our daughters not only with an excellent academic education, but also with strong citizenship and social skills. The dilemma was particularly poignant for me personally because I have spent much of my career working in and consulting to public education.

Ultimately, we chose to send our daughters to a private school committed to cultural and economic diversity. The school shared both our personal values and our educational philosophy of fostering a child's individual development, rather than attempting to mold a child into a given curriculum. With its low student-teacher ratio, teachers were able to know our children intimately—academically, socially, and emotionally.

Now that our daughters are grown, I am grateful for the lifelong love of learning and civic participation skills that they acquired in their school. Because of my strong belief in public education, however, I almost wish that we had originally moved into a community with a public school system that matched our



© CORBIS. ALL RIGHTS RESERVED.

educational philosophies. I think highly of families who deliberately live in a particular neighborhood so that their children can attend its public schools. In the long run, I think that supporting our public school system is essential to the greater public good. When we do send our children to private schools, I believe that we are obligated to be involved in supporting and improving the public schools of our community.

—Diana Paolitto

Our elementary-aged children are both in public schools. We're lucky to live in a college town where a good tax base provides ample funding for schools and where parental involvement in the schools is very high (volunteering in the classroom, coaching, PTO, school committee, grants for special projects). We've been delighted with the teachers and curriculum; we feel very fortunate to have found a community with a commitment to strong public schools.

My wife and I are both concerned about the "in-the-bubble" effect that an

Respectful dialogue among people of diverse viewpoints is a hallmark of More Than Money. *More Than Money* magazine readers vary widely in age, family history, politics, religion, net worth, source of income, geography, and other factors. We publish thoughtful commentary on topics of interest to our readers in order to stimulate lively discussion and creative reflection. The opinions expressed by the writers of Viewpoint are not necessarily those of More Than Money. To tell us what you think, send an email to [editor@morethanmoney.org](mailto:editor@morethanmoney.org) or write to:

Editor  
More Than Money magazine  
P.O. Box 1002  
Concord, MA 01742



all-private education may have. Our plan is to stay with public education through high school unless we feel that one of the children develops an out-of-the-ordinary need that only a private setting could address. We believe that our first responsibility is to our children's best interests, and that there are many effective ways to extend our concern for our own children's interests to other children as well.

—Win Piper

I believe that five elements contribute to the process of moving from childhood to adulthood: morals (defining what things are right and what things are wrong), values (identifying what's important to our family), ethics (behavior and how we conduct ourselves based on our morals and values), problem-solving (the ability to identify issues and outline steps to solve them), and decision-making (the highest level of maturity showing readiness for adulthood—choosing directions for action based on morals, values, ethics, and problem-solving ability).

Now consider this: In America, where the average child is in a traditional school setting by the age of five or six, they begin spending more wak-

ing hours of the day with their peers than with their parents. Yes, more awake time with their peers than with their parents. Consider also that children move from childhood to adulthood—and they will do it with you or without you. They will do it by spending time modeling their parents or modeling their peers. They will either bond with their parents or band with their peers. So, when it comes to learning values and ethics (not to mention such crucial skills as problem-solving and decision-making), the advantage of homeschooling is clear—which is why I homeschool, rather than send my child to any other school, public or private.

—Steve Moitozo

*Executive Director  
Homeschool Associates  
Lewiston, Maine  
smoitozo@narhs.org*

When my husband and I were deciding where to send our children to school, a dilemma arose: Do I do what is best for my child (which is my

consider private schooling, but instead ended up moving to another state. We deliberately chose an affluent town that was reputed to have great public schools.

We sent all three of our daughters to the local schools there, but we were disappointed in their quality, which seemed to result from a lack of money. Tax-cutting fever had struck; teachers were laid off and programs were cut. Although there was incredible teacher talent in our community, it wasn't being enhanced in our public schools. As a solution, my husband and I helped start a local education foundation, which provided money raised by parents for teacher support—professional development, field trips, and creative teaching. (Many public school systems have established local education funds with various thrusts.) We set it up as a grant-making institution, run by parents, with a lot of accountability to the school board and the town. Our daughters remained in the public schools through fourth grade (the elementary school).

When our last child left public school,

---

**“Do I do what is best for my child  
(which is my responsibility as a parent)  
or do I do what's better for  
a large number of people?”**

---

## Resources

### Donors Choose

Teachers post project ideas online. Donors can fund them directly through Donors Choose.

212-255-8570

[www.donorschoose.org](http://www.donorschoose.org)

### Public Agenda Foundation

Offers nonpartisan information (pro and con) on current debates and policies in education, including programs to enable choice for all.

212-686-6610

[www.publicagenda.org/issues/frontdoor.cfm?issue\\_type=education](http://www.publicagenda.org/issues/frontdoor.cfm?issue_type=education)

responsibility as a parent) or do I do what's better for a large number of people? I'm a true believer in public education, because it's a basic tenet of democracy. If people like me—with the financial means and the interest to devote time and attention to schools—opt out of the public education system, then good education becomes less available to all.

I attended good public schools and I wanted my daughters to do the same. But the decision became complicated when the state we lived in enacted large budget cuts for education. We began to

we gave \$10,000 to the principal of the elementary school to use in any manner that would show our appreciation for what the school and its teachers had given to our children, our family, and the community. That kind of philanthropy is not done in public schools, but it *is* done annually in private schools. From a philosophical point of view, I believe it's important to think about how we can support teachers and public schools, whether our children are attending them or not.

—Ellie Friedman

continued on p. 18

---

**Viewpoints** *continued from p. 17*

I went to private school. My children go to public school. While I believe in our decision to send them to public school, I am never completely comfortable with it.

We live in a racially and economically diverse town that borders a major city. My wife and I believe that raising our children in a diverse environment such as this is about the best preparation we can give them to lead fulfilling lives in the global era in which they have been born. On a daily basis, they are navigating differences with their classmates in culture, learning styles, ability, financial means, family structures, and a variety of other areas. Through this experience, they are becoming ever more caring, compassionate, and aware of the needs of others and of the world. And by being part of the public school community, we are contributing to the ability of the schools and the community to thrive.

At the same time, all three of our boys are students who, so far, can easily handle the required work. They seem rarely to be challenged or motivated to do better work. I am concerned that the demands on schools to meet the needs of students who need more attention take precedence. This often leaves my sons bored and uninspired, despite the schools' efforts at "differentiated learning" and our efforts to supplement their education at home.

Confronted with this on almost a daily basis, I continually wonder whether the challenge of a private school, with a disciplined learning environment and higher expectations, wouldn't be serving my kids better. I can (and do) go back and forth around issues of whether private school environments are too demanding, too competitive, too homogeneous, and too connected to a culture of wealth and consumerism. Perhaps it is those issues that keep me from pursuing that course, but the uncomfortable feeling still persists that my children's innate abilities and passions should be better nurtured than they are in even these very good public schools.

—Name withheld by request

My 16-year-old daughter is "unschooled," in the way pioneered by John Holt [leader of the home-schooling movement]. She is totally in charge of her education, just as I am totally in charge of mine. Both of us experience getting excited or inspired by something and diving head first into it, immersing ourselves until we are satiated, then moving on to the next subject. Isn't this how we all learn best, rather than being told to be interested in this subject for 45 minutes, then that subject for 45 minutes, etc.? In any topic she's interested in there are numbers, history and culture, science, writing, and reading involved. And she's totally eager to make use of all of these skills because it's in pursuit of a topic that moves her.

—Kathrin Woodlyn Bateman

class neighborhood, where the children of immigrant taxi drivers learn alongside those of nurses and parents of more comfortable means. My son is still the only white child in his class, but the rest of the students represent a more diverse cross-section of our city's residents, in terms of race and class, than the students found in his former school (or most any public elementary school in the city). In short, I put my son in a Catholic school because it was the schooling option most emblematic of what democratic public education opportunities would be like in our city if our schools were adequately funded and popularly attended. While I could have sent him to a more elite, expensive, secular institution, I wanted him to grow up with friends and peers from all walks of life, not just kids from fam-

---

**"From a philosophical point of view,  
I believe it's important to think about  
how we can support teachers and  
public schools, whether our children are  
attending them or not."**

---

I believe that public education is our nation's last remaining democratic institution. Public schooling should provide more or less equal and adequate educational opportunities to all American youth. Public schools should be places where these emerging citizens meet each other, regardless of family situation, and relate to each other as peers. If this is what public education were like in the large urban city where I live, I would have left my son in public school. But public school here is unofficially segregated by race and class.

From an ethical standpoint of despising unfair privilege, I have chosen a very affordable Catholic school (even though I am Jewish) in our working-

ilies capable of paying weighty tuitions.

The selection of a parochial institution represents a small ethical compromise, I suppose, made to remove him from a school environment where only the poorest of families find their children unfairly trapped, while not taking the more separatist route of leaving the neighborhood altogether for a more privileged independent school education.

Ethical principles are challenging to apply in an unfair world. Compromise turns out to be the best I can do.

—Jon Amsterdam

I was arrested for civil disobedience at an Alliance for Quality Education protest. A year ago I would never have

envisioned doing such a thing. However, last year my daughter's school suffered enormously due to budget cuts. This year we faced even more, but this time parents said, "No—arrest us if you will, but you cannot do that again to our children." Many people ask me why I bother, instead of sending my daughter to a pri-

vate school. The answer is—I don't want to. I see in my daughter's classmates the same fierce intelligence and eagerness to learn that I remember from when I went to a public school. I want her to be with children with different backgrounds and perspectives. I want to be there fighting for them and for her. What I know for

sure is that we have to start investing in the education of all children to prepare them and our country to succeed.

—Cynthia Nixon ■

*Reprinted from More Than Money, Issue 39, "Money and Children," 2005, pp. 24-26.*

## Talk to Me...

### Initiating "The Inheritance Conversation"

Thoughts from Dan Rottenberg

*As told to Mara Peluso*

**W**hen I was doing research on trust beneficiaries, it occurred to me that 90% of the problems beneficiaries encounter with trustees could have been avoided if children had talked to their parents about death. Of course, that's easy to say, but one of the toughest things in the world to do. It's harder to talk to our parents about money and death than it is to talk to them about sex. I think this is the reason people have problems broaching the subject of their inheritance with their parents.

I'm no different from anyone else. I don't want my dad to die and I don't want his money, so I didn't want to have that conversation—but I made myself do it. If you don't have the conversation, then the government winds up taking a lot of the money and it will end up getting distributed in ways that no one would want it to be distributed.

To begin the conversation, you first have to understand that you have no right, legally, to know what your parents are going to do with their money—and they are under no obligation to tell you. Very often, however, parents are eager to talk about it; they just don't know how to start.

I've found the following steps to be helpful in initiating "the inheritance conversation" with parents:

**Make your own financial plan.** Draw up your assets and liabilities, and share it with your parents. This gives everyone a place to start talking.

**Ask your parents about their concerns.** Are they worried about outliving their money? Are they worried about health care, or about living alone or in a nursing home? If they feel you are looking after their interests, they are going to be less worried about their money.



PHOTO: ALEX LOWY

*Dan Rottenberg is the editor-in-chief of Family Business Magazine and a columnist for The Philadelphia Inquirer. He has written articles for Forbes, The New York Times Magazine, and Town & Country, and is the author of The Inheritor's Handbook: A Definitive Guide for Beneficiaries (Bloomberg Press, 1998).*

**Write your own will and show it to your parents.** Once you start talking about your own will, they're more likely to start talking about theirs. Many people haven't even written a will, so you need to find out if your parents have one. If they haven't written theirs, it is critical that you urge them to write it. Each state varies in the formula it uses to divide an estate. In some, everything automatically goes to the spouse. In many states, nothing goes to the children if the spouse is still alive. Very often, estates with no will end up in the hands of judges, and their decisions can be very arbitrary.

It's actually easier to start talking to your parents about money and death before it appears to be necessary. That way, you're not so emotionally wrapped up in feelings of loss or grief. And once things are worked out, the sense that things are taken care of can feel like a burden lifted—for everyone. ■

*Reprinted from More Than Money, Issue 33, "Embracing the Gift: The Great Wealth Transfer, Part II," 2003, p. 13.*



# From Trophy Wife to a Meaningful Life

An Interview with Carol Setters

*Interviewed by Pamela Gerloff*

**MTM:** What is a trophy wife?

**Setters:** The usual definition of a trophy wife is the younger, second wife who marries the wealthy, older man, thereby proving that he still “has what it takes” to attract a beautiful woman. She is a symbol of the good life he has successfully achieved. However, because of my own experience and the stories I have heard from women around me, I feel there is a need to revise the term.

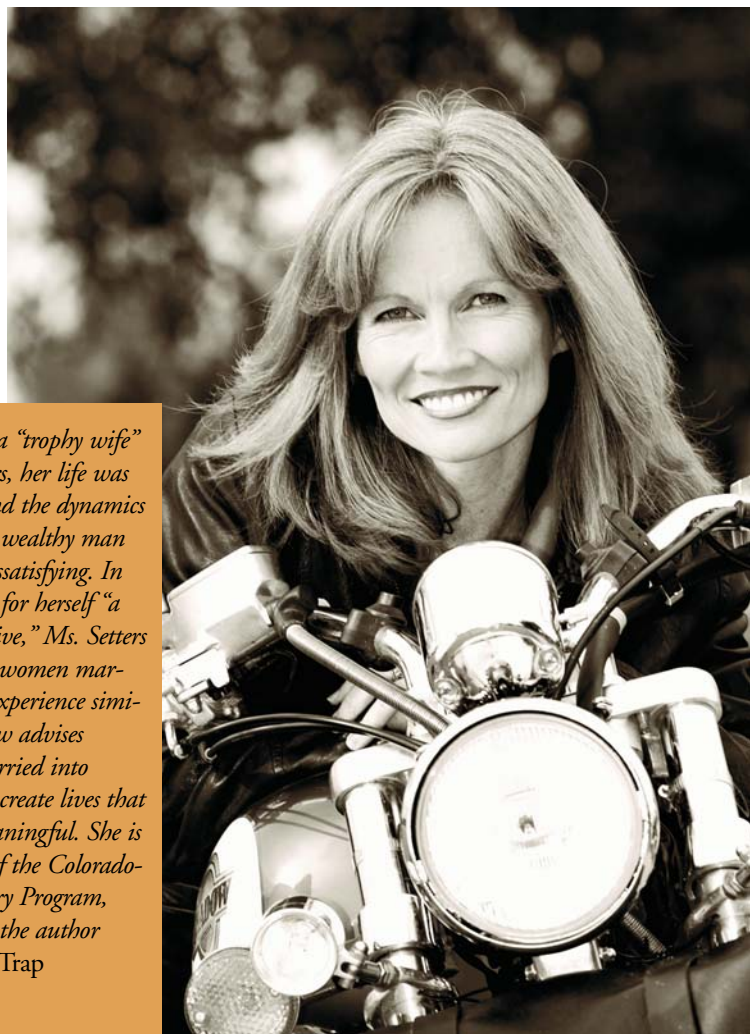
I describe a trophy wife as any woman who is in a relationship with a man who is wealthy and/or powerful, but who hasn't been successful in integrating that dynamic into her life. Consequently, her sense of purpose and understanding of her own self-worth become seriously diminished. She may immerse herself in the trappings of wealth in an attempt to discover the missing substance of this “bigger than life” existence she is now leading. In doing so, she may look the part we recognize as the trophy wife. The end result is the image we all know, but the reason for it is much more complex than most people realize.

**MTM:** You became a trophy wife when you married your husband. What was that like for you?

**Setters:** I was 28 years old when I married my husband. I had grown up in a Midwestern, middle-class family, and I was accomplished in my career. I was a classical pianist, I had toured Europe and the U.S. extensively as a vocalist, and I was enjoying success as a member of a Tony-award winning Broadway show in New York.

My husband was raised in a wealthy family on the East Coast and had achieved tremendous success in business. We shared many values and goals, and enjoyed each other's company immensely. After a while, it became apparent that we could not move forward in our relationship without one of us making a drastic change. He was the CEO of a large company

*Carol Setters became a “trophy wife” at age 28. To observers, her life was enviable, but she found the dynamics of being married to a wealthy man overwhelming and dissatisfying. In the process of creating for herself “a life she could love to live,” Ms. Setters discovered that many women married to wealthy men experience similar challenges. She now advises women who have married into wealth, helping them create lives that are satisfying and meaningful. She is a founding member of the Colorado-based Personal Mastery Program, a public speaker, and the author of *The Trophy Wife Trap* (XLibris, 2002).*



that wasn't going to relocate; the practical choice was for me to move to where he lived and alter my career. Although I was excited about making changes to accommodate our plans to start a family, neither of us really understood how much I would be giving up to fit into his world.

**MTM:** What did you give up?

**Setters:** I had difficulty continuing my career because it would have clashed with my husband's career needs, as well as his leisure schedule. I was torn between the commitments of my career and needing to free myself up for an impromptu golfing weekend in the Bahamas. Just as I was resenting the limitations I felt my husband's career and lifestyle were imposing on me, he

was confused as to why I wasn't ecstatic at not having any real commitments anymore, which he viewed as the ideal life!

Another issue—and this too, is a common one—was that when people either are raised in wealthy families or occupy high-level positions within organizations, other people stop telling them the truth, so they become sequestered from the

really my passion. I lost myself. I didn't know what I stood for anymore, or what I wanted to do with my life.

**MTM:** You wrote in your book that it's not just the dynamics within the marriage itself that are a challenge—other people and external conditions contribute, too.

## The Transformation Process

To create “a life you could love to live,” Carol Setters recommends taking the following steps (which can be done on your own or with a coach or advisor):

- **Move from External to Internal Motivation**  
Learn to change from being dominated by externally-imposed circumstances to following your own creative direction.
- **Develop Decision-Making Skills**  
Acquire skills to make decisions that successfully support your desired, long-term results.
- **Learn to Self-Actualize**  
Learn about Abraham Maslow's hierarchy of human needs (survival, security, social acceptance, self-esteem, self-actualization), to help you move toward self-actualization.
- **Create a Life Vision**  
Articulate a life vision for yourself and discover the personal values that drive your vision.
- **Focus on Being vs. Doing**  
Begin to focus on *being* your values, rather than just doing them.
- **Make Your Plan**  
Design long-term and short-term plans to realize your life vision.
- **Understand the Creative Process**  
Understand that your transformation is a creative process and that the creative process happens in stages.

kind of reality that keeps them in check with their own limitations. Let's be honest—when you have power over the paychecks of everyone around you, people are not eager to tell you something negative if it may impact their own bottom line—so your wife ends up being the only person who ever says anything critical to you. Since no one else seems to be experiencing the problem, you assume it must be *her* problem.

Those issues were problematic for me, but the biggest struggle I experienced was that, in comparison to the new environment I lived in, my own accomplishments and goals began to seem very insubstantial. I was no longer compelled to generate any money—why should I? Consequently, the entire structure for my career fell into disarray, which was difficult for me. My husband's family was involved in ongoing intergenerational nonprofit efforts that I was invited to join, but that wasn't

**Setters:** Yes, people treat you differently when you have money, there's no question about it. They give you all kinds of “special” treatment, which actually turns out to be disempowering. A woman in this culture, most likely, has been trained to be “nice” and to go to great lengths to be sure that people like her. When she marries into this new culture of wealth, she can unconsciously play to the message that she is special because of her money until she is conditioned to believe that the only thing she has to offer the world is her credit card. Within the social circles I began to inhabit, I felt a much stronger pressure to conform than I had before, in terms of lifestyle choices, my opinions, and the way I looked and behaved. I was surprised one evening at a gala event at someone's home to find a group of women hiding down in the furnace room smoking cigarettes and taking a break! I was not alone being uncomfortable in this duplicitous role.

**MTM:** What happened to you as you tried to conform to others' expectations of you in your “trophy wife” role?

---

“I was getting really good at  
acting as if I was having  
a fabulous life.”

---

**Setters:** The ironic part about the entire experience is that, while my own sense of self-worth was heading downhill, I was getting really good at acting as if I was having a fabulous life. Especially for wives of men who have prominent positions in the community, the environment creates some very distorting coping strategies. In my seminars and my private coaching, women always recognize the coping behaviors I describe, which are very similar from community to community. They include the woman who is very dramatic, talks with great animation, and exaggerates everything for effect; the woman who seems to get more and more physically perfect every year; the wife who is helpful and sweet and never gets angry, but under the surface she's smoldering; the woman who mysteriously gets drunk on the first drink of the night; and the woman who takes refuge in shopping, spending a great deal of effort

continued on p. 45

# SORTING

## What is **EFFECTIVE GIVING**?

By Pamela Gerloff

One of India's most revered spiritual texts, the Mahabharata, asserts that a gift of any size given to "the right person at the right time, with a pure spirit, will yield endless fruits hereafter."

This timeless counsel on effective giving offers intriguing advice for those of us who want to make our giving more effective; but who is the right person (or organization) and what is the right time to give? And how do we maintain a pure spirit (or intention)?

The task, it seems, is not so easy. The question is: Can it get any easier? And if so, how?

Some years ago, I wrote a doctoral dissertation on translation. I had students, professional translators, and people who had grown up bilingually think aloud about their process as they produced a written translation. One finding surprised me: When given as much time as they needed, it was the bilinguals and translators—those with the most knowledge of both languages—not the students, who took the most time and had the most "trouble" translating the text, even though they produced better translations. In an important way, the task was harder for them, because they knew too much. Even when they chose the same word the students had selected, they considered many more options, struggling with the inadequacy of the language to express subtle nuances, before "settling" for the word they considered the lesser of many evils. The students, in contrast, simply picked the first word they found in the dictionary entry.

Whenever I presented these findings to translators or advanced language students, I was met with sighs of relief and gratitude. "No wonder I still have trouble!" was the feeling expressed repeatedly. "There's nothing wrong with me, after all, just because I still find this challenging."

As I have delved into the topic of effective giving, the memory of the bilingual translators has come to me often. In so many things in life, we expect that as we learn more and become more experienced, it will all get easier. The lesson of the bilingual translators is that it's simply not so. As we become more proficient, we take in more information and process our decisions at much higher levels of complexity.

And so it is with philanthropy. When interviewing people for this issue, I was struck by the levels of complexity inherent in the giving process—and the subtle ways that different individuals have of handling them. The dynamic tensions among choices are many: *How strategic should I be? Do I create specific goals and*

*strategies to achieve them—or do I give from my heart, trusting what's good and capable in the organizations and people I donate to, and my own impulse to be generous? To determine outcomes, are my informal observations enough or do I need more formal measures—and how do I decide what those should be? Is it more effective to give to many projects or to concentrate my resources on a few? What benefits are there to giving to individuals vs. organizations? Do I want to support what is already good in the world or fund groups working on change? How do I know what's effective and how does my own satisfaction fit into that equation? Do I give primarily to transform myself or to benefit others? Is bigger better in philanthropy or is small the way to go? How does my own attitude when giving influence my effectiveness?*

The questions seem endless, and their answers not easy to come by.

But there is a way to find clarity. As I have spoken with people about giving, I have noticed an important key: the references they make to the learning process—how often people say or imply that the only way to learn philanthropy is to do it; how often people talk of failure as a natural and inevitable part of learning; how reflective some people are about their own growth as a giver.

Donald Schön, in his book *The Reflective Practitioner*, main-



MATTHEW DIFEE



# IT ALL OUT

tains that in any field of endeavor, exceptional competence is achieved through reflection-in-action. Highly functioning individuals reflect on their actions before, during, and after they occur. They continually adjust course and self-correct, based on what they've learned from observing their own actions and their results. This was certainly true with the bilingual translators. The more reflective they were about their own choices and process while they translated, the better their translations were.

If this is so in all fields, wouldn't it also be true in philanthropy?

Medora Woods, a Jungian analyst and philanthropist, describes her own process of growth as a funder in similar terms: "For me, growing and changing as a funder is trying to stay on my own creative edge, where something is coming into being, into form; then, according to what is emerging, changing my guidelines about where I want to put money. I get ideas, put them into practice and see how they work, then modify them. I try to stay aware that I have a core set of assumptions and make them as conscious as I can to myself."\*

At the organizational level, the Roberts Enterprise Development Fund (REDF), a private foundation that invests in businesses that provide social benefit, has built self-reflection into its venture philanthropy model in a radical way. From the outset, funder George Roberts has required rigorous self-reflection

from the organization. So that REDF staff would have time to work and reflect, they did not initially give public relations interviews to the press. Only after years of reflection and learning from their failures have they begun to talk publicly about their many successes.\*

To become more effective philanthropists, we too can build deep self-reflection into our lives. The following are useful guidelines.

## ■ Allow time for growth and learning

The most important element in effective giving is allowing time for it—time to reflect, to learn, and to grow. Emmett Carson, CEO of The Minneapolis Foundation, observes that giving effectively "is not something that we are born knowing. We learn as we give. It's a lifelong experience."\* Yet so many of us don't allow ourselves the time needed for learning. Anne Slepian, co-founder of More than Money, says, "Many of us decide what to give to by sorting through appeal letters at the end of the year. But to truly give effectively requires more care and attention." [See sidebar, below.] As you give yourself time to become more effective, you'll likely find an added bonus: your giving will become more rewarding and fulfilling to you, too.

## ■ Examine your values, beliefs, and underlying assumptions

To whom, how, and where you give continued on p. 24

\* See More Than Money, Issue 26, "Effective Giving: Finding Your Own Path," 2001.

### On which level of impact do you focus?

In your philanthropy, on which level of impact do you tend to focus? Is this focus by choice or by habit? Many of us tend to focus on the individual or project level because these are more familiar and less complex; for long-term givers, the organizational and systemic levels can offer great challenge and satisfaction. Many gifts have impact at all four levels.

#### Individual level

Giving to friends and family; to individual leaders, artists, scientists; funding scholarships

#### Project level

Supporting time-limited projects (e.g. create a building, produce a film) or ongoing programs (e.g. shelter the homeless)

#### Organizational level

Helping organizations build leadership or a funding base, do strategic planning, etc.

#### Systemic level

Seeking to influence a whole field, cause, campaign, or social movement

### How might you measure results?

- Grantee's or donor's satisfaction
- Whether individual achieved stated goals
- Assess whether project met internal and external goals
- Assess how organization has grown in strength (e.g. leadership, financial soundness, credibility, ability to reach goals)
- Increased public awareness
- Achieving specific milestones (e.g. passing a law, stopping a construction project)
- Increased number of organizations working in that area

— Anne Slepian and Christopher Mogil

## How Effective Are You as a GIVER?

✓ *I've made a personal financial plan.* The plan includes an assessment of how much I can give long-term.

✓ *I've made a thoughtful giving plan.* The plan includes my overall funding mission, grantmaking focus areas (e.g., by topic, geography, strategy), the timing and size of gifts, who is involved in decision-making, and methods of evaluation.

✓ *I follow through on my giving plan, and regularly evaluate and revise it.* I keep in mind that plans are living documents, designed to be changed as life experience suggests.

✓ *I expose myself to new information.* I go on site visits, travel to developing countries, attend conferences for funders in my field, and stay aware that exciting projects that most need funding may lie outside my current knowledge.

✓ *I take leadership as a funder.* I leverage my impact by recruiting other funders, creating collaborations, learning to fundraise, offering challenge grants, and promoting philanthropy among my peers.

—Anne Slepian and Christopher Mogil

## If you don't have the time, GET HELP!

I know so many people, myself included, who hold back on giving as generously as they wish because they simply can't carve out the time that effective giving requires. So they put off major giving to the far-off someday—when the kids are grown, when the job is less demanding... I know of two simple ways to step through this bind. You can give to an existing foundation that funds in your interest areas, getting to know the professionals there who have dedicated their lives to finding out what's effective. Or you can hire a personal philanthropic advisor who will follow your directives, do the leg work, and enable you to become the giver of your dreams, using a fraction of the time it would take you on your own.

—Anne Slepian

**Gerloff** *continued from p. 23*

depends fundamentally on your core values, beliefs, and basic assumptions. For instance, your assumptions about how change happens will play a significant role in whether you give to political or spiritual causes, to individuals or organizations, and to many or few recipients. You can observe and reflect on your own actions to discern your actual (vs. espoused) values and beliefs; conversely, you can carefully examine your beliefs and values in order to guide your actions.

## ■ Seek opportunities for learning

Schön's model suggests that learning "on the job" with a mentor who can help you reflect on your actions is a powerful way to become a more reflective practitioner. Salvatore LaSpada, director of the Philanthropy Workshop at the Rockefeller Foundation, also recommends finding ways to learn formally about philanthropy. Such experiences can expose you to new viewpoints and give you tools to aid your reflection. You might, for example, take a course in philanthropy, read about the history of social change, or attend conferences of grantmakers who fund in your interest areas. (For a list of funders' affinity groups, contact the Council on Foundations, 202-466-6512, [www.cof.org](http://www.cof.org).) You can also learn about your areas of interest from people who are not philanthropists, to gain a more inclusive perspective. Books, conferences, and websites abound for any funding area.

## ■ Fund what you love, so you'll enjoy the reflection

Because growth and effective giving require time, fund what genuinely interests you. That way, you'll be able to maintain the long-term involvement needed for learning, and you'll enjoy the process, too. Woods offers this advice: "Find an area you love, that you really care about, and that you're willing to invest in learning a lot about. The more you learn, the better funder you'll be." Slepian also notes that most of us have

limited exposure across race and class and suggests that exposing yourself to new people, projects, and ideas will allow you to find new people and projects to love.

## ■ Accept failure as a natural way of learning

Allowing time for reflection makes it possible to learn from failure. Failure can then become information that lets you adjust course. Melinda Tuan, managing director of the Roberts Enterprise Development Fund, says that effective philanthropy "takes a long time, a lot of patience, and you have to be very comfortable with risk. Some projects will fail rather spectacularly. Being able to take blame along with success is the mark of a really good philanthropist."\*

## ■ Create mechanisms for getting feedback

To reflect on effectiveness, you need information about what happened as a result of your gift. It may be as simple as talking to the recipient or observing results in the community; or it might involve asking an organization what formal measures of effectiveness they can show you. The key is finding mechanisms that let you see more clearly what resulted from your financial support and then taking the time to reflect on what you have seen.

## ■ Become part of a giving community

Tracy Gary, founder of several networks for women philanthropists, names isolation as one of the most common barriers to giving effectively. Joining a giving circle, reading publications written by practicing philanthropists, and participating in the More Than Money listserv or discussion groups are all ways to increase your effectiveness and your joy in giving, by reflecting with others while you give.

As I have talked with others and reflected on my own giving, I've found it reassuring to realize that we don't need to give in one particular way to be effective. Effective giving is multi-faceted, not limited to one approach. Whether we give to immediately benefit an individual or to create long-term systemic change; whether

our focus is politics or spirituality; whether our giving is large or small; whether it mainly benefits ourselves or others, we can give effectively—and, chances are, we can learn to give more effectively still.

The key is to hone our own niche, based on our own values, skills, and intentions, and to engage in the kind of continual self-reflection that lets us adjust

course as we go along. As Wayne Muller, founder of Bread for the Journey, says, “Every organism has its place in the ecology.”\* To find our own right place in the giving ecology, we can give ourselves the gifts of time, experience, and reflection. ■

*Pamela Gerloff is editor of More than Money. Her prior work in schools, busi-*

*nesses, and nonprofit organizations has focused on learning, growth, and change. She is founder of Compelling Vision™ and holds a doctorate in human development from Harvard University.*

*Reprinted from More Than Money, Issue 26, “Effective Giving: Finding Your Own Path,” 2001, pp. 10-13.*

## How Effective are the Organizations You Fund?

**To make an informed judgment you need good information:**

- Ask for an annual report and budget
- Read in-depth funding proposals
- Ask whether the organization has a strategic plan
- Find its Federal 990 report online at [www.guidestar.org](http://www.guidestar.org)
- Visit the organization on site
- Interview staff, board members, and the people served
- Interview the group’s colleagues and competitors
- Ask other funders for their honest assessment
- Last, but not least, compare this organization to other organizations that do similar work (and consider funding those other groups as well!)

—Anne Slepian and Christopher Mogil

© THE NEW YORKER COLLECTION 2002. FROM CARTOONBANK.COM. ALL RIGHTS RESERVED.



*“Read the card! Read the card!”*

*“When giving and receiving are done really well, the line between giver and receiver begins to dissolve a little.*

*When you see someone throw their arms around someone else in a great big hug, who is giving and who is receiving? Both benefit.”*

—Wayne Muller in *More Than Money*, Issue 26, “Effective Giving: Finding Your Own Path,” 2001, p. 27

## True Philanthropy

I think there is a misunderstanding of philanthropy as people with resources giving to people without resources. But it’s not appropriate to divide the world into “haves” and “have nots.” Everybody has talent and the capacity to make a difference. People just make their contribution in different ways.

This is important to understand if we want to give in order to change the underlying causes of conditions like hunger or poverty. We in the West tend to value everything in terms of the money attached to it; in a measurement system that values only the money, we miss the fact that the greatest wealth of humanity comes from people who don’t necessarily have money, but who have tremendous riches, such as knowledge, wisdom, energy, and deep commitment to make things happen. Money alone can’t do it—it takes the partnership to make anything happen.

—Lynne Twist in “Out of the Fullness: An Interview with Lynne Twist,” interviewed by Pamela Gerloff, *More Than Money*, Issue 34, 2003, p. 19.



# Does Your Giving Hit All the MARKS?

By Anne Slepian



**"M**ake your philanthropy strategic... engaged... effective!" Like an advertisement for toothpaste that promises to make teeth whiter, cleaner, brighter, these adjectives—strategic, engaged, effective—are often slung together as if they synonymously describe a better, more modern way to do charitable giving. To me these buzzwords define three distinctly different qualities of good philanthropy:

**EFFECTIVE:** giving that produces the desired results (whatever those may be)

**STRATEGIC:** giving according to a carefully thought-out, overall plan to achieve particular outcomes

**ENGAGED:** giving that is personally involved, more than just sending money

To explore these differences, I made myself the chart below, and thought about memorable gifts I've made in the past decade. How about that time the waitress jumped for joy when I gave her a \$20 tip for a cup of coffee? That was effective, but neither strategic nor engaged. When my husband Christopher and I contributed \$20,000 toward a staff member's salary for a budding organization reaching out to young adults with wealth, it was part of our long-term strategy to leverage philanthropic resources. The grant was spectacularly ineffective (given that the group folded within the year) but we stayed engaged and helped birth a successor

organization, Resource Generation, which has flourished. One of the most "bang for the buck" gifts I ever made embodied all three qualities: Back in the early '80s, when I was committed to the peace movement, I gave \$120 to my organizer friend Paul so he could print hundreds of copies of a seminal article about the emotional impact of living under nuclear threat. Paul used those articles to seed disarmament chapters throughout Europe, and I stayed engaged with both Paul and the author's work for years. On an entirely different scale is the \$100,000 Christopher and I are giving to More Than Money, as one of many "Visionaries' Circle" members funding the organization's expansion. This gift embodies all three qualities as well, and few things have been as thrilling to me as shepherding the organization's growth.

Playing with this chart has convinced me that each quality has value on its own—yet its power is amplified when combined with one or more of the others. Try mapping out your most memorable gifts, and see what you learn! ■

*Anne Slepian is an award-winning writer, workshop leader, and organizer on issues of wealth and philanthropy. She and her husband, Christopher Mogil, co-founded More Than Money.*

*Reprinted from More Than Money, Issue 26, "Effective Giving: Finding Your Own Path," 2001, p. 23.*

## Anne's Giving Analysis

	\$20 tip for a cup of coffee	\$120 to Paul for dissemination of article	\$20,000 for salary at start-up non-profit	\$100,000 to More Than Money Visionaries' Circle
<b>Effective</b> Achieving desired results	♥ Waitress thrilled	♥ Disarmament chapters developed	⊘ Organization folded	♥ Organization moved swiftly forward with its strategic plan
<b>Strategic</b> Part of overall giving plan	⊘ Big tips not part of giving plan	♥ Plan to support peace activism	♥ Plan to support organizing of people with wealth	♥ Plan to support organizing of people with wealth
<b>Engaged</b> I'm personally involved	⊘ I did not know the waitress, nor stay connected to her use of surprise tips	♥ Stayed engaged for years as a friend & organizer	♥ Continued involvement helped create Resource Generation	♥ As one of the founding directors, this is my daily work

# Respect and Trust

Excerpt from a conversation with Kavita Ramdas

**T**he concept of giving effectively comes out of a corporate mentality that nonprofits feel we have to fit into these days. Donors ask us, “What are the numbers? How many women have more choice? Can you see and measure real outcomes?” When you’re dealing with the kinds of complex social issues that we [at the Global Fund for Women] are, like extreme poverty, the outcomes are not easily defined. You can’t just count how many people came to a soup kitchen. While it’s important to care whether your giving is effective, it’s as important to be concerned with the way in which you give. Are you giving with respect and trust? It’s the process of giving that empowers both the giver and receiver.

From a grantee perspective, most giving that is trying to be effective comes with strings attached. Donors think they can



*Kavita Ramdas is president and CEO of the Global Fund for Women, the largest grant-making foundation in the world that focuses exclusively on international women’s rights, and the only one in the U.S. with this mission.*

somehow control the outcomes. They give project-specific funding, or money for this many pencils and papers, but not lights or electricity. Grantee organizations, however, understand how important general operating support or flexible funds are.

In general, as donors, we don’t take a hard look at ourselves and have enough conversation about effective giving. The less we base our giving on trusting and

respecting our grantees to do what they do, the more we put restrictions on our funds. But there is a fine line between accountability and useless bureaucracy. ■

*Excerpted from “Respect and Dignity: Thoughts from Kavita Ramdas,” as told to Pamela Gerloff, More Than Money, Issue 26, “Effective Giving: Finding Your Own Path,” 2001, pp. 18-19.*



*Steve Kirsch is founder and CEO of Propel Software Corporation. Having founded two other successful*

*high-tech companies, he and his wife Michele started their own \$50 million foundation to give away some of the profits. In 1999, they were recognized by Slate magazine as the eighth largest charitable givers in America.*



*Rev. Wayne Muller is founder and president of Bread for the Journey (BFJ), a national philanthropic organization*

*with 16 volunteer-run local chapters. He is also a therapist, retreat leader, and author. He has published four books and writes regularly on business and spirituality for Forbes magazine. He is the founder of the Institute for Engaged Spirituality.*

## Think Big, Think Small

Excerpt from an interview with Steve Kirsch and Wayne Muller

**MTM:** Is bigger better in philanthropy?

**Kirsch:** Bigger gives you the opportunity to be more effective. It doesn’t ensure results, but it definitely gives you a lot of advantages. There is an advantage to scale. The larger the capital you have, the more efficient you can be. At our foundation we have a full-time person in charge of the medical grants, for example.

**Muller:** In the *Chronicle of Philanthropy*, they’re always talking about who’s got the biggest endowment. What does it matter if Bill Gates is surpassed by Hewlett Packard? That’s silly, but it makes the front pages. I’d like to see on the other side of the front page, “How small can we get?” I often ask people, “What’s the smallest thing that anyone did for you that changed your life?”

There are places for large interven-

tions, like doing research on cancer or AIDS treatments. But at the same time, it’s not a good presumption that bigger is more effective. The presumption that real change happens from the top down is being challenged everywhere. For example, a bank in Bangladesh lent individuals \$50 to \$100 to start small businesses. That micro credit work ultimately changed the whole country’s economy. One thousand tiny kindnesses rising from the ground up change the world more reliably than one initiative from the top down. There is a place for both. ■

*Excerpted from “Two Models for Giving Effectively: Think Big, Think Small: An Interview with Steve Kirsch and Wayne Muller,” Interviewed by Pamela Gerloff, More Than Money, Issue 26, “Effective Giving: Finding Your Own Path,” 2001, pp. 24-27.*

# 10 Tips for Artful Giving

By Ruth Ann Harnisch

Have you ever gone to one of those post-holiday gift-swapping parties? Everyone brings the gifts they would rather not keep, and, with any luck, one person's trash is another's treasure. But how do you give the kind of gifts that people appreciate and cherish? More to the point, how do you avoid giving the kind of gifts that when people say, "You really shouldn't have," you really shouldn't have? Here are my top ten tips for artful giving:

## 1 Whose present is it, anyway?

If it's really a gift, it's for the recipient. Sure, every gift blesses the giver. You often hear people say that they get more out of giving than the recipient does. But in some cases, that's what the givers had in mind all along.

They pick presents they would like to receive, not gifts that they know will please the recipient. They buy in their own favorite color, choose CDs based on their own musical taste, give books that reflect their own world-views. They wish someone would give such a gift to them. If you say you're sharing something you like with others, that's fine. If you're doing it to impose your opinion, it's not a gift.



*Ruth Ann Harnisch is chair emerita of the board of directors of More Than Money, and serves on the board of directors of the Sigma Delta Chi Foundation, the nonprofit arm of the Society of Professional Journalists. She serves on the board of governors of the International Association of Coaches, as well as several advisory boards. Ms. Harnisch is president of The Harnisch Family Foundation and is also a personal coach.*



## 2 Timing isn't everything, but it's an important thing.

Give when the recipient can really use the gift. Why wait for a birthday or a holiday when someone has a need or a heart's desire with a different date attached? You can give a graduation present as a reward for a completed accomplishment, but might your expenditure be more appreciated if it comes on the way to graduation? A bookstore gift certificate, tuition assistance, a laptop computer—these are gifts as opposed to rewards.

In the larger picture, I have structured my estate so that I'm giving big cash gifts now, when they are most practical and helpful. It makes more sense to me to pay off mortgages and cars for loved ones now so that they are debt-free and secure while we're all relatively young and healthy. It's the same with my charitable donations. I'm giving now, while I can enjoy seeing the ways my charitable gifts are used. I don't think it will be as much fun to give when I'm dead.

## 3 Give with an open hand.

If there are strings attached, it's not a gift. If you give money and then second-guess what the recipient does with the money, it's not a gift. If you give a present and then get angry because the recipient exchanged it or re-gifted it, it's not a gift. When you give with an open hand, the gift leaves your hand. It is no longer yours. It is not yours to judge, to control, to manage.

I once gave a large cash gift to a family who, in turn, gave cash gifts to others. My initial reaction was unhappy surprise—I would never have given money directly to the individuals they gifted, and I would never have given to their chosen charities. I quickly remembered that I had given a gift. I did not enter into an agreement or a contract with conditions of satisfaction. I gave a gift, and that meant the money belonged to the recipients to do with as they pleased. That taught me to think ahead, to mentally play out scenarios that might unfold, and avoid the potential for giver's remorse. I try now to give only when I can genuinely and freely give.

## 4 Don't rub it in.

I gave a gift to a loved one, and it gave me great pleasure to see that it was being used. Whenever I experienced that pleasure, I mentioned the gift and how happy I was about it. One



day, the recipient turned to me in exasperation. “Have I not thanked you sufficiently for this?” she said. “I have thanked you and thanked you, but you keep bringing it up as if you expect me to thank you every time.”

Now I keep my mouth shut. If I see that they’re wearing it, eating it, spending it, driving it, reading it, listening to it, or in any way using, enjoying, or benefiting from something I gave, I would rather choke than mention how happy I am about it. (*See #1, “Whose present is it, anyway?”*)

### 5 Don't give the gift that keeps on costing.

A camera company used to refer to its product as “The gift that keeps on giving.” I was a kid for whom it was “The gift that keeps on costing.” The camera seemed like a great present until it came time to pay for film and developing. I couldn’t afford either, so the gift was no gift at all.

My husband is always puzzled when people turn down his offer of free weeks at our vacation home. He forgets how much this “free” vacation costs—cross-country airfare, ground transportation, meals, lift tickets, other incidentals—all at top resort prices. Yes, you get wonderful accommodations at no cost whatsoever, but it costs plenty to get there and be there.

parents made the down payment on the newlyweds’ house and assumed they bought the right to say what goes on in the house.

Sometimes the ego gratification from giving a major gift confuses a donor into thinking they bought a piece of a charitable institution. Just because they named the wing after you, it doesn’t mean you own the wing. You don’t get to boss people around at the nonprofit. Make sure you know the difference between an investment in personal public relations and a genuine gift to charity.

### 8 Don't wear the price tag on your forehead.

Some givers want recipients to know exactly how expensive a gift is. I once had a relative who was famous for leaving the price tag on a gift so everyone knew exactly “how much” she thought of them, and what they were “worth” compared to others in the family.

Some want the recipients to know how much of a sacrifice it was to give, or how inconvenient it was, or how much trouble they went to in order to produce a gift. This is a form of making the recipient pay for the gift. It’s also the hallmark of someone who “knows the price of everything and the value of nothing.”

---

## “There’s a difference between giving a gift and delivering a sermon.”

---

Consider what your gift might cost the recipient. Is it expensive to fill, to insure, to clean, to operate? Does it require accessories or fees or special clothing? Are there tax implications? If I give a gift that requires batteries, I give a year’s supply.

### 6 Give a gift, don't send a message.

There’s a difference between giving a gift and delivering a sermon. When I was a nail-biting child, I could always count on some well-meaning relative to remember my birthday with a lovely manicure set as an “incentive.” I was not inspired. I was, in fact, insulted, embarrassed, hurt, and cheated out of a genuine birthday present.

Any time your gift implies there is something “not right” about the recipient that needs fixing, it’s not kind, even if you think it’s in their long-term best interest.

If there are overweight loved ones in your life, you are not doing them a favor to surprise them with a treadmill, a health club membership, or an exercise video. And don’t ask if they would like you to get them something like that, either, unless they have already expressed an interest in getting your help to change the condition. The mere suggestion screams your disapproval, and that’s not a gift.

### 7 Remember, you bought the gift, not the giftee.

Some givers like to get a little something extra, in addition to the pleasure of giving a gift. You may know of a household where the

### 9 If you expect gratitude, it's an exchange, not a gift.

For decades, people have been complaining to Dear Abby that people don’t write thank-you notes. “Is it proper to inquire as to whether a gift has been received?” they ask. If you want to know if things have been received, send them via trackable methods like FedEx or registered mail. Then you’ll know. If you are offended when people don’t write their thanks, don’t send more presents. (However, your mother was right: It is both polite and gracious to thank the giver, and it gives the giver extra enjoyment—and that’s part of being a good receiver.)

### 10 Give the gift of dignity.

Whatever you give, whenever you give, however you give, it costs you nothing to give recipients their dignity. The giver is not superior. The recipient is not lesser. We get brainwashed by platitudes like “It’s better to give than to receive” and somehow twist the message into “we are better if we give than if we receive.” I find that some of the most generous givers are uncomfortable, ungracious, or unwilling receivers. If you enjoy giving but not receiving, perhaps you believe that the receiver is the “minus” part of the equation. Give people the gift of dignity, respect, and a sense that we are all equally valuable people. That’s one gift that actually becomes more precious when it’s returned or exchanged. ■

*Reprinted from More Than Money, Issue 34, “The Art of Giving,” 2003, pp. 16-17.*

# What Happy People Know

An Interview with Dan Baker

*Interviewed by Jane Gerloff*

© CORBIS. ALL RIGHTS RESERVED.



*Dan Baker, Ph.D., is the founder and director of the Life Enhancement Program at Canyon Ranch Health Resort in Tucson, Arizona. In their book What Happy People Know: How the New Science of Happiness Can Change Your*

*Life for the Better (Rodale, January 2003), Dr. Baker and co-author Cameron Stauth discuss principles and tools from the field of positive psychology and how they can be used to help people become happier. Dr. Baker also holds an adjunct position in community and family medicine at the University of Arizona. Previously, he was a tenured faculty member at the University of Nebraska, with appointments in the departments of pediatrics and psychiatry.*

**MTM:** You've worked with a lot of people to help them become happier. Some of them have a lot of money. So tell us, does money make people happy?

**Baker:** I know a lot of people who, from the outside, look in and say, "Boy, it would be great to have lots of money." Barbara Walters once interviewed entertainment mogul David Geffen. She said, "O.K., David, now that you're a billionaire, are you happy?" He shot back without hesitation: "Barbara, anybody who believes money makes you happy doesn't have money."

It's a brilliant insight, because money *doesn't* make you happy.

**MTM:** And why doesn't it?

**Baker:** Because of what psychologists call accommodation. In my first job out of college, I made \$6,500 a year and I

thought that was great; in college I had been working in the student union for about \$1.55 an hour. Today, when I think of making \$6,500 a year, it's not anywhere near the income I would typically think about generating. Of course, there has been inflation, but even so, the fact is that I've gotten used to a certain level. I've accommodated.

A Gallup survey asked people who made \$10,000 a year, "Who is wealthy and happy?" Their response was, "That's simple—people making \$50,000 a year." So Gallup went to folks making \$50,000 and asked the same question. Their response was, "People making \$100,000." For people making \$200,000, the sense of who is wealthy and happy was a couple of million dollars. We tend to push the bar above and beyond where we are, no matter where we are, because of accommodation.

**MTM:** But it's not actually the money that people are expecting will make them happy, is it? Isn't it what money will get them—like freedom, security, or status?

**Baker:** Yes. In particular, people do expect *things* to make them happy. Madison Avenue has had a mantra for years: Happiness is in your next purchase. That's a great marketing concept, because it's never-ending. There will always be one more purchase.

Once I understand that I'm being set up to keep looking for satisfaction—or whatever it is I think will make me happy—in a never-ending succession of purchases, I'm not going to think that the new sports car, or the new home on the beach or in the mountains, or this or

that, is going to bring happiness, because I begin to understand that happiness isn't in things.

**MTM:** What *is* happiness and how do you find it?

**Baker:** Happiness is a side effect of living life in a certain way. It's not a mood—moods are biochemically regulated—and it's not even an emotion, because emotions seem to be somewhat event-dependent. What I'm talking about is a way of living a meaningful, purpose-focused, fulfilling life.

When we wrote our book, *What Happy People Know*, Cameron Stauth and I studied the literature on happiness and identified concepts or characteristics most frequently identified with happiness. Of course, love is at the top of the list. But the list also includes qualities like optimism, courage, a sense of freedom, proactivity, security, health, spirituality, altruism, perspective, humor, and purpose. These are qualities associated with people who are essentially happy. So happiness is both about living well in your own situation and also

## Build Your Own Happiness

**MTM:** How can people use their money to increase their happiness?

**BAKER:** In almost every culture and religion there is a belief that says you ought to take a portion of what you have and share it with others. I think that's very important.

To me, money is a tool. The question is, do I use that money as an anesthetic, as a diversion, as a way of creating a false sense of reality? People can and do use money in those ways. Do I let that tool lie idle in the toolbox, or do I take it out and use it to create something? Do I build something that makes life better for someone? I think human beings, by their nature, are constructive. We want to build families. We want to build neighborhoods. We want to build communities. Intrinsically within us is a desire to build. Happy people build lives that contribute to others.

### *What Happy Companies Know: Discovering What's Right with America's Corporations*

By Dan Baker, Ph.D., and  
Cathy L. Greenberg, Ph.D.  
(Prentice-Hall, forthcoming)

In this new book, Baker and Greenberg analyze the practices of outstanding, principle-centered businesses. Each business they studied exhibited at least three of the following characteristics:

1. Leadership is inclusive and visionary. Leaders know they don't have to have all the answers. They invite their employees, customers, clients, vendors, and other stakeholders to talk to them and share ideas.
2. Their employees are enthusiastic and passionate. They love to get up and go to work every morning.
3. Stakeholders are their strongest marketers. Clients, customers, and vendors market freely for the company.
4. The company is an acclaimed, constructive citizen of its community.
5. The company is profitable.

---

“He shot back without hesitation:  
‘Barbara, anybody who believes money  
makes you happy doesn’t have money.’”

---

about living meaningfully and fully in relationship to others.

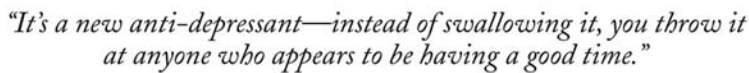
**MTM:** That seems to go way beyond what people typically think of when they say, “Are you happy?”

**Baker:** Absolutely. The thing about being happy is that it's not about having more money or more things. Research shows that having more does not make us happier, either as a society or as individuals, once our basic needs have been met. In fact, in my own work, I often observe an inverse relationship between

money and happiness: The more materialistic we are, the less happy we are. I see so many instances of things owning people, as opposed to people owning things. When people have a lot of material things, they begin to worry about upkeep and management and maintenance and staff. The list goes on and on.

**MTM:** In your book, you say that you can't have happiness without choice. Yet it seems that the more money people have, the more choices they have. Shouldn't people with more money be happier because they continued on p. 32





**Baker** *continued from p. 31*

**Baker:** Some research indicates that when people have too many choices, they become overwhelmed. For example, I'm working with a young man who is a talented businessman. He's like the proverbial kid in the candy store, running from one possible job to another without ever really focusing. He says, "I can do this and I can do that." And all of that's true. But I said to him, "O.K., but a handful of those things you do better than all the rest." I had to sit him down with somebody who could help him look at his strengths. We picked out his top three or four strengths and now we will look at his career options from that point, because otherwise he has too many choices and he doesn't know how to deal with them.

**Baker:** At Canyon Ranch, I work with

“How important money is to you, more than money itself, influences your happiness. Materialism seems to be counterproductive: At all levels of real income, people who value money more than other goals are less satisfied with their income and with their lives as a whole...”

Original research reported in "A Consumer Values Orientation for Materialism and Its Measurement: Scale Development and Validation" by M. L. Richins and S. Dawson, *Journal of Consumer Research*, Vol. 19, 1992, pp. 303-316 and "Materialism and Quality of Life" by M. J. Sirgy, *Social Indicators Research*, Vol. 43, 1998, pp. 227-260.

I call it “enriched deprivation.” Kids who get everything have a very false sense of reality. Even if you’re wealthy, you don’t get everything. You fall in love with somebody who doesn’t fall in love with you. You want your grandparents to live and they die. Wealth doesn’t keep

**Baker:** Absolutely. A lot of parents had jobs when they were kids. I talk about

**VERBs:** Victimization, Entitlement, Rescuing by somebody else, and Blaming. These are attitudes that are obstacles to happiness. I often see a sense of entitlement in children of affluence, but in fact the world doesn't entitle any of us. I don't care whether you're a king, a pauper, a president, or whoever, the world really does not respond to people who walk around with a sense of entitlement.

**MTM:** But we all imagine that it will, right?

**Baker:** Exactly. So that's another question parents need to ask: "Am I giving my kid resilience?" If every time my child comes to me I say yes, then I'm not teaching my child about the real world. I need to be able to say no sometimes. The child is going to cry and I'm going to feel bad that he's crying; I might even be so emotionally connected to the child that I cry. But the point is, a lot of parents indulge their children so that the *parents* won't feel bad. That's not good. They need to feel good that they're raising strong children and that they're raising children who understand the value of money. Even when parents could well afford to buy the child something, they can say, "No, you go work for it." Or, "You use your allowance to buy it."

**MTM:** Your book gives a lot of advice about how to be happy. You tell people, for example, to keep their expectations under constraint. What do you mean by that and how can people actually do it?

**Baker:** People often make themselves unhappy by setting unreasonable expectations. They might, for example, have the expectation that their partner is going to be a certain way or do something in particular. For instance, I might have the expectation that my wife will be the smartest woman in the world. Well, my wife is smart, she really is, but I'm not sure she's the smartest woman in the world. Or let's say I expect to become the president of the country club and I only make it to vice president. Am I going to look at what I don't

have, or am I going to embrace and appreciate what I have? Happy people are pretty good about appreciating what they have; they don't spend a lot of time looking at what they don't have.

**MTM:** That seems similar to what you call "changing the story of your life" because it's choosing to focus on the positive aspects.

**Baker:** Yes. For instance, I was working with a woman who had an abusive childhood. She had told herself that she had a terrible childhood, and she was very engaged in that.

So I asked her nonchalantly, "Do you love your kids?"

"Oh, yes," she said.

I said, "Do you ever make comparisons between your children's childhood and your own?"

"Oh, yes," she answered.

I pointed out that her children's experience of childhood is obviously a lot better than hers was, and she agreed. So I asked, "Why do you think you're such a conscientious mother?"

Tears came to her eyes, and she began to get it. Because of what she had endured, she had determined to be a good parent. She wouldn't have any child be abused in any way. That's the "180 principle." You make a 180° turn from what you experienced and determine to do the exact opposite. If I am hurt, then I can learn a lesson of kindness from that. I don't have to become an abuser myself.

When this woman realized that she had turned her painful experience into something positive, she was able to change the story she told herself about her past. She was able to say, "It *was* extremely painful and difficult, but out of that I learned to be a very conscien-

---

**"The story you tell yourself about your life makes all the difference in how happy you are."**

---

## Childhood Chores

Chores are an "astonishing predictor of adult success." In youth-to-death studies of the Harvard classes of 1939 to 1944 and Somerville, Massachusetts inner-city men, "having chores as a child is one of the only early predictors of positive mental health later in life."

—From *Authentic Happiness: Using the New Positive Psychology to Realize Your Potential for Lasting Fulfillment* by Martin E. P. Seligman, Free Press, 2002, p. 224. Original research reported in "Work as a Predictor of Positive Mental Health" by G. Vaillant and C. Vaillant, *American Journal of Psychiatry*, Vol. 138, 1981, pp. 1433–1440.

tious, loving, and nurturing mother."

The story you tell yourself about your life makes all the difference in how happy you are. I always say, "If you paid the tuition, get the lesson."

**MTM:** Some people think trying to be happy is selfish. Why do you think it's important to be happy?

**Baker:** Happiness is important because people who live a fulfilled life are, on the whole, healthier than those who are less happy. There is a lot of research that suggests that positive emotions and good mental and physical health go hand in hand. Happiness is also important for relationships. People who are described as happy people typically have better relationships with those they love and continued on p. 35

# From Building a Résumé to Building a Life

Thoughts from Kim Boucher

*As told to Pamela Gerloff*

I have wonderful memories of childhood—loving, supportive parents and gregarious brothers—but we didn't have a lot of money. Ours was a middle class family with four children, and there was a lot of stress around finances. We didn't have a lot of opportunities and my parents said we couldn't afford a lot of things; so, at a young age, I decided I would become self-sufficient financially.

I was lucky, because I was very athletic, and sports opened many doors for me. I worked hard, got good grades, and received a scholarship to a college I couldn't otherwise have afforded.

My aim was always to build the best résumé I could. At an early age I had wanted to succeed at big things. I had imagined becoming an astronaut, a senator, or the CEO of a large company. After I graduated from college and worked for a while, I decided to get an advanced degree from Harvard Business School (HBS), because I wanted every door to be open to me. I never worried about money to support my endeavors because I believed that money would always come.

While attending HBS, I helped the school launch a program for low-income kids from Boston. Every Saturday morning they would come to our gym and play. Though I was incredibly stressed out from school, I found those Saturday mornings the most satisfying thing I had ever done in my life. Donating my time to those children, talking to them about their dreams and hopes—it just felt right. It was a wake-up call for me. It said, “Here is something I love doing.” I wanted to keep going.

However, after receiving my degree, I took a job in Minneapolis with General

*Kim Boucher worked in general management for consumer marketing companies such as General Electric, General Mills, and Gillette and Lycos, Inc., where she was vice president of E-commerce when she left the company three years ago. She now spends much of her time as a full-time mom and volunteering, including coaching for her children's athletic teams, serving on the board of Suitability, and working for the Jericho Road Project.*



Kim Boucher and her children

---

**“I don’t think our obsession with money is what drove us apart, but our lifestyle wasn’t sustainable and it wasn’t real.”**

---

Mills. I was still building my résumé, but it didn't feel right anymore. I was learning a lot about marketing and selling products, but I wasn't feeling fulfilled. Soon, I got married, and my husband and I, who were both from New Hampshire, decided to have children and move closer to home. We had three kids in four years and the pressures started to come.

The Internet boom was happening, so I thought, “Wow. I'd like to get in on that.” I took a part-time job with an Internet company and within a year became a millionaire (on paper). My husband was also doing really well financially.

Money kept flying in. We kept looking at our bank statement and feeling giddy. Neither of us had ever anticipated having that kind of money to do what we wanted to do. We got caught up in it. We bought a bigger house, nice cars, and

got very focused on what we wanted. We didn't completely lose sight of our families, but we got sucked into the craze of the Internet and living in an affluent town. I took a full-time job, kept getting promoted, and kept being given more and more responsibility. I was 35, our kids were very young, and my husband was always taking off somewhere, traveling like crazy. It was a heady lifestyle.

The pace was so quick we couldn't keep up with it. My husband began having health problems, and I began to realize that I had become detached from my husband and children. It wasn't working, so my husband and I decided that I would stay home. I couldn't be a good mother, be good at my job, and support my husband with his travel schedule and the health difficulties that seemed to be caused by his level of



stress, all at the same time.

What happened next knocked me completely into left field. I learned that my husband had a longstanding relationship with someone else. We ended up getting a divorce.

I don't think our obsession with money is what drove us apart, but our lifestyle wasn't sustainable and it wasn't real. By that I mean that there was nothing we did that really meant anything. All we were doing was trying to keep up.

Although our divorce was horrible for me, it showed me that I don't ever need all this stuff, and I don't want it. I want to be with my family, my children, and do all the things I've always wanted to do. The sudden changes that occurred in my personal life caused me to reflect on what is really important to me. I thought,

"What am I waiting for? I am building my résumé for what? My passions are caring for my kids and also helping out the underdog. Which cause can I participate in that will help the most?"

Now I'm using all of my resources and the good fortune I've had in my own life to help other mothers. I recently joined the board of a company called Suitability. We help women get off welfare and become economically self-sufficient. Besides providing job training and other services, we give them one suit to wear to job interviews and another to wear when they start their job. My involvement in that project is part of Jericho Road, a nonprofit organization that the church I attend is launching. We're taking the resources and talents of members of our church

and matching them up with a town that could clearly use help. When I first heard about the project, I thought, "That's exactly what I want to do." I want to help out where I can.

Because I am still raw from my divorce, I don't know if I would say that I'm "happier" than I was before. But from a professional standpoint, I'm not in a building-my-résumé mode any more. I know I could never even think about going back into the corporate world to do something I don't truly believe in. I want to be able to share the good fortune I've received and have a big impact on a lot of people. I'm taking steps in that direction. I know I'm on the right path. ■

*Reprinted from More Than Money, Issue 38, "Money and Happiness," 2004, pp. 20-21.*

**Baker** *continued from p. 33*

care about than unhappy people do.

**MTM:** In your book you say that you think the quest to achieve happiness can change a whole culture. What do you think that new culture will look like?

**Baker:** When people are in a positive state of emotion they are generally civil and even kind and caring human beings. To ascertain the validity of this observation, think about your own personal experience and that of the people you know. You will never see a truly happy and simultaneously hostile person because those two states are essen-

sibilities and to understand concepts of good and evil; they are essential to the understanding of ethics, morality, and civility. This is why I believe that positive emotions, such as appreciation, happiness, joy, and love—with all their power for good health physically, mentally, emotionally, spiritually, and socially—are extremely important to civilization and its continued evolution.

It is true that war is a "statistical norm" for humanity. Human beings have been at war with one another somewhere on this planet almost constantly since time immemorial. However, we have within us the capacity to build a more construc-

## The Secret of Altruism

**MTM:** Why does altruism make people happy?

**Baker:** One of the interesting things about positive emotions is that they're intrinsically reinforcing. When I do something kind for somebody else, I feel good. People who are passive are not particularly happy people. People who go out and engage life actively, proactively, and meaningfully are happier. It's kind of a side benefit of doing good for others. *I'm happy because I've made a difference in somebody's life today; I've done something good for my little niche in the world.*

tive acts, I believe that human beings will ultimately choose civility over destruction and will benefit from all the consequences of this choice, including creativity, ethics, and morality. ■

*Reprinted from More Than Money, Issue 38, "Money and Happiness," 2004, pp. 5ff.*

**"You will never see a truly happy and simultaneously hostile person because those two states are neurologically incompatible."**

tially neurologically incompatible. This is because positive emotions evoke activity in the frontal lobes of the brain. The frontal lobes allow us to see abstract pos-

sitive future civilization by virtue of this "higher order moral brain." Though we always carry with us the capacity to live in fear and engage in massively destruc-

# Finding Your Real Work

**W**hen people ask me about the choices I've made around money, family, and work—specifically, my decision to resign from a tenured faculty position in the Department of Counseling Psychology at Boston College in order to take care of my children—they always frame it as a loss. They say, “What did you give up?” No one talks about the gain. But I don't think of it as having given up my career, as people often suggest. I think of it as having decided not to continue doing a particular kind of work so that I could balance my work and family. The result is that I've gained something that's forever. ...

When I was raising my children, I felt anxiety about how I was going to meet my family's needs and still be somewhat active in the work world. ...[But] I am so glad now that I spent the time I did with my children, caring for them and learning to know them as individuals. The connection I feel with my now-adult children is so strong. Some people think that if you can pay for someone to take care of your children, why not? But I say, wouldn't it be better to pay for someone to do the other things that need doing, so you can spend time parenting? Children need different things at different ages, and you only find out what those are by spending time with them. Dropping your children off at soccer practice is not the same as having their friends over to your house; when you're around while they're

playing dress-up there is a whole different kind of intimacy that develops. Taking a walk with your children and seeing the world through their eyes is different from pushing them in a three-wheeled stroller so you can take your morning run. It's the difference between integrating your life into your children's lives versus taking your children along as an add-on to a pre-existing life that will not stop for anything. It

has become counter-cultural for us—both women and men—to make parenting a priority because we live in a product-oriented culture, and parenting is not a product, it's a process. ■

—Diana Paolitto in “Surprised by Joy,” *More Than Money*, Issue 36, “Money and Work,” 2004, pp. 22ff.

**“Most of us don't get epiphanies. We only get a whisper—a faint urge. That's it. That's the call. It's up to you to do the work of discovery, to connect it to an answer.”**

—Po Bronson

**T**here are some key ideas in our culture that make it very difficult to separate work from wages. Many of us make money after the point of sufficiency. After debts are paid off and needs are taken care of, we still make money. It seems to me that we have to keep spending it so that we'll have an excuse to make it—because if we get ahead of the game, we might be confronted with the dilemma that comes from affluence: What do I do when I have more money than I need? I think we keep spending and making beyond the level of what actually fulfills us because money is the way we keep score. Money is how we become a “player” in society. This means that, often, the non-material aspects of life—like love; family; connection to humanity, to nature, or to God; and service to the community—have

been pushed to the margins of life. We are in a social and political environment that makes it difficult to choose anything other than the dominant paradigm of profits as a primary value. If you choose to operate outside of the dominant paradigm, you're likely to lose your role as a player. You'll lose your status; you'll lose respect, either



*Vicki Robin is co-author with Joe Dominguez (now deceased) of the national bestseller, **Your Money or Your Life: Transforming Your Relationship With Money & Achieving Financial Independence** (Viking Penguin 1992; Penguin, 1999). She is president of New Road Map Foundation, chair of the Simplicity Forum, and the originator of Conversation Cafés.*

from others or from yourself; and you'll also lose income, which means you may no longer have a secure future. As long as you're a player, there seems to always be more—more money, more status, more power. ■

—Vicki Robin in “Redefining Our Relationship to Work,” *More Than Money*, Issue 36, “Money and Work,” 2004, pp. 12-13.

**“If I had known what it would be like to have it all, I might have been willing to settle for less.”**

—Lily Tomlin



*Rod McCowan is senior vice president of global human resources at Hitachi Data Systems Corporation.*

levels of net worth. But here's the problem: sometimes, by the time a business leader reaches that point, he or she can be so caught up in the game and the competition for success, or can have so thoroughly absorbed the values of the corporate culture, that there is no personal sense of where the line is anymore.

Individuals who are successful at playing the corporate leadership game tend to be Type A, alpha personalities with extremely competitive temperaments. If you are not careful, before you know it you're not looking at how you compare to the 99.9 percent of the population you have already passed in income; you are focused instead on the .1 percent of those who are still ahead of you. Relatively speaking, compared to that reference group, you may still feel "poor." Additionally, because of your competitive temperament, it can be difficult to just stop playing the game in the same way that professional athletes often find it difficult to walk away from their sports.

Furthermore, one of the realities of the corporate game is that the amount of money you make is in fact one of the most reliable indicators of how much the organization values your contribution. You may have a fancy title or a big office, but you quickly learn that if you really want to know how you're doing, you have to look at the relative value of your compensation package. It tells you your true internal and external market value. That is why, when an executive search firm calls you looking for an executive for one of their clients, one of the first questions the interviewer will ask you is: *What is the value of your current compensation package?* If your number is too low for what the client is willing to pay, it tells the search firm that you probably don't have the qualifications to fill that particular role. Money is therefore a key indicator in signaling the type of leadership opportunities for which you are ready to compete. Given that reality, you can understand why people who are ambitious and competitive by nature would want to drive their compensation number as high as possible. ■

—Rod McCowan in "How Money Influences Leadership: Perspectives from the Public, Private, and Nonprofit Sectors," *More Than Money*, Issue 35, "Money and Leadership," 2004, pp. 20ff.

**"The larger the number for whom I worked,  
the more positively effective I became.**

**Thus it became obvious that if I worked always  
and only for all humanity, I would be optimally effective."**

—R. Buckminster Fuller in *Critical Path* (St. Martin's Press, 1992)

**"SO,** what do you do?" ...

When that question is asked of me, I often feel as if the questioner is using my answer to make judgments about my value to society or to them. Do I make a lot of money? Am I powerful? Am I somebody they want to talk to? Am I important enough? Am I successful by their standards? Those are the questions I suspect they are *really* asking me when they say, "What do you do?" I know that some people, at least, make assumptions about me based on my answers because sometimes I do it, too. ...

In our More Than Money discussion group, we have talked about the importance of trying to figure out what the *underlying* question is. What does this person *really* want to know? So I began to try an experiment. I stopped assuming that people are asking me what I do so that they can judge how much value I have as a person. Instead, I substitute the belief that they are curious about me and want to know what I do with my time, what is important to me, what we might have in common, and how we might connect. This shift in perspective has produced a wonderful result: I no longer feel my self-esteem being threatened by the question. ■

—Molly Stranahan in "What Do You Do? The American Question," *More Than Money*, Issue 36, "Money and Work," 2004, pp. 24-25.

*Molly Stranahan strives to be loving, open, respectful, accepting and nonjudgmental. The legacy she hopes to leave is that those whose paths crossed hers found that she brought a smile to their face, or their load was lightened, or they learned a new way to think about themselves and their lives that brought them peace and serenity.*



*"It's not enough that we succeed. Cats must also fail."*

© THE NEW YORKER COLLECTION 1987 LEO CULLUM FROM CARTOONBANK.COM. ALL RIGHTS RESERVED.



# Ethical Fitness

## Choosing between Right vs. Right

An Interview with Rushworth Kidder

*Interviewed by Pamela Gerloff*



*Rushworth M. Kidder, Ph.D., is the founder and president of the Institute for Global Ethics. Formerly a columnist for the Christian Science Monitor, he is the author of How Good People Make Tough Choices: Resolving the Dilemmas of Ethical Living (Simon & Schuster, 1995). Dr. Kidder works with individuals, groups, and corporations to help them tackle some of the most challenging ethical issues of our time.*

**MTM:** What do you mean by the word ethics?

**Kidder:** One of the most useful ways for people to think about ethics is as the application of values to decision-making. Of course, the question then arises: What type of values are we talking about? At the Institute for Global Ethics, we have done a lot of work on the nature of shared core values. Wherever we go in the world, we ask people, “What are the most important shared values?” Regardless of differences in religion or social strata, people all over the world talk about the same five values: honesty, responsibility, respect, fairness, and compassion. That gives an interesting metric for thinking about what we mean by ethics: That which is ethical is honest, fair, responsible, respectful, and compassionate. That which is unethical is dishonest, unfair, irresponsible, disrespectful, or lacking in compassion. Note that the operative word here is *or*, not *and*. To be unethical

you don’t have to fail in all five categories. You only need to fail in one. Even if you’re fair, responsible, and deeply compassionate, if you’re not honest, most people will consider you to be unethical.

The other definition I find helpful is an idea created by Lord Moulton, a nineteenth-century British parliamentarian, who spoke of ethics as “obedience to the unenforceable.” That’s an interesting concept, because it separates ethics from law. Law is obedience to the enforceable; ethics has to do with matters upon which the law is silent, but upon which there is a broad social consensus.

You [Pamela] and I are talking today, whether we realize it or not, because of an ethical constraint. If either of us had failed to keep our appointment, probably neither would have taken the other to court. Yet each of us would have looked at the other as unethical. You might have said to yourself, “He promised to do something and didn’t show up.” Most of what we do in everyday life hinges on just such an ethical understanding, rather than on a legal understanding. A lot of people think that if their advisors suggest something, if it isn’t illegal, it must be ethical—but that’s not the case. There are huge realms of ethical behavior about which the law has nothing to say.

**MTM:** You have written about the concept of ethical fitness. Could you say what you mean by that and how we can become more ethically fit—especially with regard to wealth?

**Kidder:** Ethics is not an inoculation, it’s a process. Most of us would scoff at a physical fitness program that says you can take a magic potion once in your life and be physically fit forever. Similarly, being ethically fit involves constant practice and challenging yourself. You don’t “get” ethics by reading one article or going to one seminar. You may learn a lot of fundamental ideas and get a conceptual platform to work with. But you need to do something to develop your skill, just as runners or musicians develop theirs. And, in my experience, if you don’t continue to exercise your ethical skill,

you begin to lose it.

As for ethics and wealth, the first decision you encounter, as you consider the nature of ethical life, is “Am I going to be self-ish or am I going to be ethical?” It’s pretty obvious to most of us that complete immersion in self almost rules out any prospect for ethical behavior. That has nothing to do with income in and of itself; all kinds of people can be completely absorbed in themselves and be unethical in that way. But once you’ve made some claim to an ethical life, and you’ve said that moral and ethical concepts matter to you, it seems to me that you have an obligation not simply to let your claim sit there, but to put your values into practice, wherever and however you can. And that comes back to those five values. How do you challenge yourself to become increasingly honest, fair, respectful, and all that? Typically, there are a couple of great touchpoints that people come across in life where they naturally do that: one is having children. Suddenly, when you have children, you realize that you have a responsibility for a life beyond your own. You establish ethical precepts, norms, and standards that you can pass on to your children.

**MTM:** Do you find in your work that there are particular ethical questions that people with wealth typically face?

**Kidder:** Yes, I think so. F. Scott Fitzgerald said that wealthy people aren’t like other people. The difference has to do with their financial capacity, with their ability to have broad impact on the

world through their finances. With wealth, you can influence things in a bad way or a good way. The problems that people with wealth have are not so much about everyday necessities; those are taken care of with very little trouble. The bigger questions are, “What am I going to do with this money? If I’ve earned it, why on earth did I earn it and what do I want to have happen with it?” And, “If it was given to me, what do I do with it?”...

As people deal with these challenges, they are forced to address profoundly metaphysical questions: *Who am I? What am I here for? Do I deserve it?* I think really thought-




---

**“If you don’t continue to exercise your ethical skill, you begin to lose it.”**

---

ful people have got to come to terms with these questions and I sometimes think it’s easier for thoughtful people who have earned it than for those who haven’t, because inheritors often haven’t had the chance to address those questions when they first receive their money.

I suspect that one of the most difficult social interactions imaginable occurs when people who have earned wealth come together in a social setting with people of wealth who haven’t earned it. I think the two perspectives are totally different mindsets, and it’s difficult for either side to grasp the other’s point of view. If that’s the case, one ought to be able to predict that in families of wealth some of the most difficult and challenging discussions and arguments would occur when the wealth has been earned by the older generation and passed on to the younger. Some of the greatest tensions I’ve encountered come from people in the same families sitting on different sides of the table because they’re in different generations.

**MTM:** Does your ethical framework help in those kinds of situations and discussions?

**Kidder:** Yes, because we’re not talking about questions of right vs. wrong, but of what I call “right vs. right.” The really tough issues are not about what’s right and what’s wrong and not knowing what to do. We do know what to do in those situations, although we may be tempted not to do the right thing. Where it gets difficult is when you have questions that involve “right vs. right”—where two important values are in conflict with each other and you can make a powerful case for both sides. [See sidebar, p. 40.]

The challenge in a family dynamic of wealth is that the people involved often slip down to the next lower standard and assume that ethics is about right vs. wrong, not that there may be two “right” choices. From there, it’s a quick step to assume that “I’m doing it right and they’re doing it wrong,” and the situation quickly goes to blame and shame. If we can begin to recalibrate the moral compass, and think

continued on p. 40

## SHARED CORE VALUES

According to the Institute for Global Ethics, people throughout the world consistently name the following five values as being among the most important:

**Honesty**

**Responsibility**

**Respect**

**Fairness**

**Compassion**

**Kidder** *continued from p. 39*

about ethics as right vs. right, that has a powerful impact on the way people relate to one another. When we're not starting out on the search for right vs. wrong, the interaction is much more fruitful.

This is not an easy recalibration for any of us in our culture because we've been brought up with a decision-making model that first finds out which is the bad side, and then by default chooses the other. That's basically how political campaigns are conducted, for example. We try to find out who is the awful, terrible villain and then vote for the other one. In theater and movies, that's the way our melodramas are constructed. The legal profession operates this way as well. Your lawyer defends you and presents the other as the epitome of evil. The scientific model, however, is the antithesis of that. A good scientist goes into a situation with a hypothesis. If a piece of evidence comes along that contradicts it, the hypothesis is changed. The scientist says, "Oh good. This is interesting. Let's rethink this." In contrast, a lawyer facing a piece of contradictory evidence will do everything conceivable to discredit it and prove that it's not valid. They are two

## Ethical Decision-making Factors

*From the Institute for Global Ethics' CD-ROM ethics training programs.*

### "Right vs. Wrong" Decision

- Is it LEGAL?
- Does it violate our CODE OF ETHICS?
- What does your GUT FEELING tell you?
- How would you feel if this were on the front page of the NEWSPAPER?
- What would MOM (or some other ROLE MODEL) do?

### "Right vs. Right" Dilemma

When two equally important values are involved, do you choose the one that favors:

- TRUTH or LOYALTY?
- SELF or COMMUNITY?
- SHORT TERM or LONG TERM?
- JUSTICE or MERCY?

**"If we can begin to think about ethics as right vs. right, that has a powerful impact on the way people relate to one another."**

distinctly different mindsets. I would like to shift the ethics metaphor from the legalistic to the scientific methodology. I much prefer people say, "There's lots of right out there and my task is to find the higher right," rather than try to figure out what the wrong side is.

**MTM:** Would you say more about the framework you use to help decide between two valid ethical choices?

**Kidder:** There are not an infinite number of "right vs. right" dilemmas. In fact, at the Institute for Global Ethics, we think there are only four types of dilemmas. We think people get into ethical dilemmas because they run into situations where they are pulled in two competing directions:

#### Truth vs. Loyalty

Truth, to most people, is conformity with facts or reality. Loyalty involves allegiance to a person, group, organization, government, or set of ideas. This one occurs a lot in families. For instance, Junior may think the future lies in funding a new children's television program, while Grandpa has always provided core funding, out of money he earned, to a long-established children's literacy group. The truth, to Junior, is that the literacy

group is in terminal decline—while the loyalty is to Grandpa and what Grandpa loves. What should Junior do when, as here, both sides are right?

#### Short term vs. Long term

A short-term versus long-term—or "now versus then"—dilemma reflects the difficulties that arise when immediate needs or desires run counter to future goals or prospects. One example would be questions of short-term consumption versus long-term investing. If we put all our money in investments and never eat again, then we're going to die. If we put all our money in consumption and never invest anything, we could be in trouble in the event of an unexpected crisis. Very heated conversations in boardrooms often originate around questions having to do with whether we should spend or save, and how much to spend or save.

#### Individual vs. Community

This paradigm can also be thought of as us vs. them, self vs. others, or the smaller vs. the larger group. It comes up a lot in grant making and foundation or personal charity work. Some say we must create structures in the community that, over time, will lift the greatest number of people out of poverty. Others



say, “Look at these folks starving now. We can’t give our money to anti-poverty think tanks because we need to make sure that people have enough to eat today.” There is right on both sides.

### Justice vs. Mercy

Justice always deals with expectations; mercy deals with the exception to those rules. Fairness, equity, and even-handed application of the law often conflict with compassion, empathy and love. (Anyone who has ever raised a teenager understands this dilemma.) Suppose your giving guidelines have changed. You no longer fund the arts. Then an arts organization that is a former grantee comes to you fighting for its life—because its annual fundraiser, held a month after 9/11, was an utter bust. There are powerful cases here for funding and for not funding.

I have yet to run into a really tough right vs. right dilemma that doesn’t fit one of those paradigms. So the four paradigms can be a useful tool to help us understand what we’re dealing with when we run into an ethical dilemma. We can weigh the dilemma carefully and say, “Let’s think of these arguments along the truth vs. loyalty axis,” or the short-term vs. long-term axis, or whichever one the dilemma would fall into. That tends to make the question easier to grapple with.

That, however, is analysis and not resolution of the dilemmas. So at the Institute, we talk about resolution principles that can help you resolve the dilemmas and take ethical action. Three traditions of moral philosophy give us some principles that are widely used to resolve ethical dilemmas:

- You can use an **ends-based principle**, which says you should choose the greatest good for the greatest number.
- You can use a **rules-based principle**, which says that what you’re about to do, you would like to see made into universal law. You ask, “What would happen if everyone did what I’m doing?”
- The third is a **care-based principle**, which is the idea of the golden rule: *Do unto others as you would have them do unto you*. You put yourself in someone else’s shoes and try to imagine their hardship.

By applying those principles to different kinds of situations, you can move to resolution. However, the principles themselves will not give you the answer. You just have some tools to work with. It’s as though I were to give you a whole set of carpenter’s tools—it’s not the same as giving you a house. But you’ve got the tools and you can build something.

**MTM:** But how do you choose between those principles? It seems that you might end up with a different result, depending on which principle you choose.

**Kidder:** Well, that gets back to one of the most difficult things humanity has to do, which is think. The principles provide a structure for thinking, but they don’t think *for* us. You have to come to a decision that both “thinks right” and “feels right”—it makes sense rationally and logically, and it also feels right intuitively. You reason it through and say to yourself, “This



© 2002 THE NEW YORKER COLLECTION FROM CARTOONBANK.COM. ALL RIGHTS RESERVED.

strikes me as a little closer to the right.” I’m not saying that the other side is wrong; it’s just that this one seems like the higher right in this set of circumstances. The application of ethics doesn’t lend itself to formulaic determination. If it did, Aristotle would have told us the answer centuries ago. Ethical decisions are complex, nuanced, and require real thought.

**MTM:** Is it more important for people with wealth to be ethical than it is for others?

**Kidder:** Absolutely. I would say that’s true for people with wealth, power, or fame. Those are the three challenges humanity deals with. It’s because of leverage. When you’re wealthy, you are able to make things happen that other people aren’t. If I think a nefarious means should be used to derail a political movement or change the politics in my town, as an ordinary citizen with \$25 to donate, I can’t do much to derail it. But with a half million dollars to give and an organization behind me, I can do a lot. Wealth leverages ethics. Like it or not, there really is a sense of *noblesse oblige*. There is an obligation that comes with wealth and power to use it in the right way for the benefit of humanity and not for personal whims. ■

*Excerpted from More Than Money, Issue 31, “The Everyday Ethics of Wealth,” 2002, pp. 5-9.*

**“Do the right thing.  
It will gratify some people  
and astonish the rest.”**

—Mark Twain

# The Good Life

Excerpt from an interview  
with Peter J. Gomes

Interviewed by Bob Kenny and Pamela Gerloff

**Kenny:** I've noticed that people who enjoy doing good are not always comfortable talking about that with others. Why do you think it's so hard for us to talk about wanting to be both good and great?

**Gomes:** I think our culture has a pathological fear of exceptionalism. Nobody wants to be exceptional, although everyone wants to be *perceived* as being exceptional. Talking about moral greatness or goodness is intimidating because it implies that some are more morally acceptable than others. Yet we don't really have a way of measuring that. There is also the question of who made those decisions—by what right does anyone make those judgments?—and that's against our democratic and elitist nostrums. The whole notion of goodness is a discriminatory notion and is one imposed from the top, rather than from the bottom. Hence, to talk about goodness as an achievable and desirable station to aspire to is very frustrating. It's not in our lexicon. We don't really have the language to talk about it. One of the reasons I wrote that book is that it is essentially using practical formulas to discuss the concept of goodness.

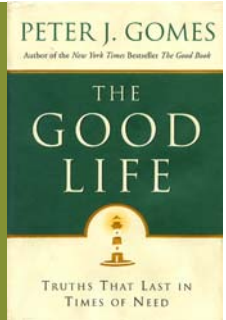
**Gerloff:** What do you think the value is of talking about goodness?

**Gomes:** The value is in helping us define what goodness is. If you define what goodness is, it gives us something to aspire to—something that is, in my view, the ultimate object and definition of what it means to be human. We have the pursuit of happiness as the constitutional goal, but we've failed to understand—to our peril, I think—that happiness is not a goal. Happiness is a consequence. I think what the founding fathers really meant was life, liberty, and



© STU ROSNER 2000

*The Reverend Peter J. Gomes is Plummer Professor of Christian Morals and Pusey Minister in The Memorial Church, Harvard University. In his book, The Good Life: Truths that Last in Times of Need (HarperSanFrancisco, 2002), Professor Gomes examines what it means to make a good life, not just a good living.*



the pursuit of goodness.

The classics have taught us that goodness is the goal and that happiness comes from that, quite distinct from what one has, or even what one does. But in a culture that is defined by the pursuit of happiness because it is economically a viable pursuit to attain, the notion of happiness as a by-product of something else is hard to imagine. In my book, the way I've schematized it, goodness is the objective, happiness is

the by-product. The means are the virtues and the content of the virtuous life, and the cardinal virtues are faith, hope, and charity. I outlined it that way because otherwise people wouldn't be able to visualize that there is a structure to all of that. ... ■

*Excerpted from More Than Money, Issue 31, "The Everyday Ethics of Wealth," 2002, pp. 12-14.*



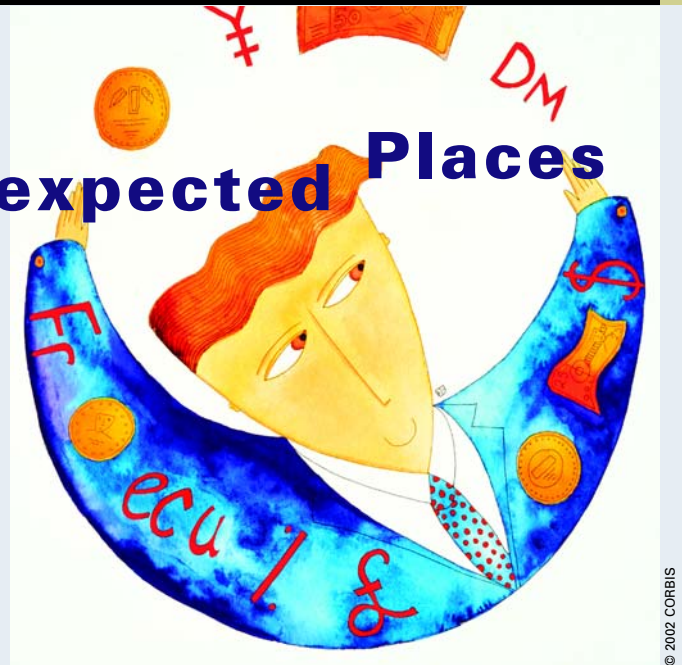
*"I told him it wouldn't kill him to try to be nice once in a while, but I was wrong."*

# Finding Fun in Unexpected Places

By Christopher Mogil

I've come to enjoy thinking about everyday ethical money questions. But it hasn't always been that way.

For years I felt I was practically breathing the questions—they came so fast and furious: Do I buy this cup of fair-trade coffee (even though I don't like the taste so much)? When buying property with friends, how do we share the ownership in a way that feels “fair,” given our very different means? How much do I gift (and bequeath) to my child vs. how much do I give to others in greater need? Do I ask for a bigger salary, even if I don't personally need so much? Do I make sure my stock proxies are voted? Do I commit some of my giving to community-based foundations that are democratizing philanthropy by putting diverse community representatives on their boards and



© 2002 CORBIS

(3) Plus (ah, true confessions!), I worked to drop my judgment of other people. Although I could sometimes entertain myself with self-righteous scorn of others, my pleasure was so much greater when I actually connected with people and sought to understand how they made their choices. Then,

---

“My stance shifted to, ‘How do you think about these things?’ instead of, ‘Do you agree with me?’”

---

also give to projects run by my friends? Whether I'm thinking about spending, investing, earning, giving, or leaving a legacy, there are lots of complex questions. And of course, each question, whether small or large, leads to a host of others.

*Christopher Mogil is co-founder of More Than Money. He is an award-winning writer, workshop leader, and organizer on issues of wealth and philanthropy.*

The decision-making process started to get more fun for me after:

(1) I stopped focusing on what a bother it all was and started appreciating how lucky I am to have so many meaningful choices.

(2) I started tackling lots of questions by deciding what I wanted to do for now in these areas, knowing I could always change my mind later. I lifted some of the ethical burden by recognizing that most of my decisions were a work-in-progress and I could make them more intelligently over time, with input from other thoughtful people. (Having a community like More Than Money has come in handy here!)

comparing notes with others became much more free and interesting. My stance shifted to, “How do you think about these things?” instead of, “Do you agree with me?”

(4) I decided that instead of sweating all the small stuff or worrying about not being ethically pure, I would concentrate on some area I could really get excited about putting energy into over time. My notion was that if my choice came from some honest-to-goodness personal enthusiasm (as opposed to grudging dutifulness), I would be more likely to stick with that choice a lot longer—and maybe even inspire some of my friends to want to try it, too (which, in turn, would make it even more fun for me!). My personal guideposts have been building community and sharing resources. (I have chosen to put energy into these areas in both my personal and work lives.) Other areas of concern I have let recede or ripen gently in the background.

Now I'm curious about how any of you approach having more fun with ethical questions involving money. Feel free to drop me a line about your experience (email: [christopher@morethanmoney.org](mailto:christopher@morethanmoney.org)). ■

Reprinted from More Than Money, Issue 31, “The Everyday Ethics of Wealth,” 2002, p. 18.



# Wealth Transfer in an Age of Affluence

Excerpts from an interview with Paul Schervish

*Interviewed by Pamela Gerloff*

*A 1999 study by John J. Havens and Paul G. Schervish of the Social Welfare Research Institute concluded that, over the next 55 years, upwards of \$41 trillion dollars will be transferred from one generation to another—through inheritance, philanthropy, and taxes. In 2003, they wrote a report confirming the validity of those estimates, despite the downturn in the economy and equity markets. What does this mean for wealth holders, for philanthropy, and for anyone living in the current era? Paul Schervish offers his thoughts.*

**MTM:** ... It sounds as if you're saying that in an affluent society, there is an increased need to make wise decisions. If that's so, does this imply that affluence will push us into wisdom, individually and as a society—or, at least, that it has that potential?

**Schervish:** There is no automatic connection between affluence and wisdom. At every point on the economic spectrum a different array of issues comes to the fore. With affluence, a large part of decision-making around survival and day-to-day living is taken care of; the economic problem is solved. This adds new temptations toward materialism and superficiality, but it also offers opportunities to achieve what is deeper in your life. If you can have what you want, you do not automatically provide deeper answers to the question *What is it that you want?*—but you do have the question raised in your life. You will not automatically choose a deeper quality of life just because you have greater wealth and greater choices, but the question itself and the potential to do so are raised. ...[In this time of unprecedented wealth transfer,] the questions will arise in people's lives either quietly or loudly, subtly or intrusively. This is true not just for the super-wealthy but for all of us who are affluent.

**MTM:** What factors enable wise choices to occur?

**Schervish:** It is pretty simple: You are going to make wise financial choices if you care. Ultimately, what leads to wise choices is love—the attention to others as ends in themselves, as I am an end in myself, not a means to an end. The way love is implemented and practiced is care, which is attending to the true needs of others. So wise choices come about through care. ...

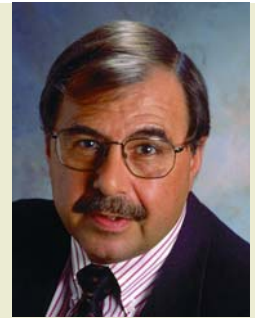
**MTM:** And wisdom involves attending to the true needs of others?

**Schervish:** It's related to it. The Sufis say good people attempt to treat others the way they themselves would like to be treated, generous people treat others better than they themselves would like to be treated, but wise people treat others the way they need to be treated. Wisdom is connected to answering the difficult but right question: *What is the true need?*

**MTM:** How does wisdom help you know the true need?

**Schervish:** Wisdom is sensitized intelligence. It is what enables one to learn about how to perceive, and attempt to meet, the true need. That's why if the age of affluence is about choice, we have to develop new experiences and practices of wisdom, especially in this era when choices are not determined by the necessity to say, "No, we can't afford it." In the

*Paul G. Schervish, Ph.D., is a professor of sociology and director of the Social Welfare Research Institute at Boston College and a national research fellow at The Center on Philanthropy at Indiana University.*



*He was selected in 2000, 2001, and 2002 to The NonProfit Times' "Power and Influence Top 50." Dr. Schervish serves regularly as a speaker and consultant on how to surface and analyze the moral biographies of wealth holders, on the motivations for charitable giving, and on the spirituality of financial life.*

past, our limitations were also our freedom. When we didn't have money for everything, we had to choose, and that helped us decide what we valued. In an age of affluence we sometimes regret that lost past, but it isn't a negative that it's gone. It opens up a new opportunity to find a positive rationale for wealth.

**MTM:** What might that be?

**Schervish:** One rationale is meeting the true needs of others in the realm of philanthropy—meeting true needs, not just in accumulation through business, investments, or work.

**MTM:** Is philanthropy the only way to "meet true needs" with wealth?

**Schervish:** In the modern era, providing jobs is also a way continued on p. 59

## Setters *continued from p. 21*

appearing to be trendy and chic, who seems obsessed with renovating the home in Vail. All of these behavior patterns describe attempts to squeeze the substance out of a life that has become very superficial. The tragedy is that it doesn't have to be that way.

**MTM:** What are some solutions?

**Setters:** My advice to a woman in this situation would be to begin with a dialogue, either internally or with a trusted friend, considering exactly what it is that you stand for and what you want out of life. You can begin from the ground up, identifying the things that matter to you. Here is an opportunity that most of the world would love to have—you can pause your life and re-decide what you love to do and what you were meant to give to the world. If you can take a leap of faith and wake up what lies dormant inside you, you have a stellar opportunity to create a life that really matters.

Once you have committed to following a meaningful path of your own choosing, you can learn skills and new perspectives that will assist you in developing a life that reflects your core interests. I would also suggest learning what it takes to make a good decision. For that, I recommend the book, *The Path of Least Resistance* by Robert Fritz; it contains an excellent section on choice. I've also found that it helps to have a mentor to keep you from reverting to old habits and thought patterns.

In my experience, the transformation that occurs gets you excited about life again. You feel powerful, and others around you can feel the change. Your self-esteem grows and your sense of purpose evolves because you're finally living a life that is a true reflection of who you are inside.

When I went through this process, I discovered that even the people I had perceived as being part of my "problem" were people I could enjoy being around—because they no longer held

the power to affect the way I felt about myself. I had become "inner-directed."

**MTM:** Is this transformation ever threatening to the husband or to the relationship?

**Setters:** When I describe this transformation to people, this is the point when the fear shows in their eyes. "What if I decide I don't want to be married anymore?" they ask me. Or, "What if he

---

"Being authentic  
isn't something that  
is generally  
encouraged for  
women in this  
society—or, sadly,  
for men."

---

dumps me?" Those are genuine concerns; however, the point is that the problem was never about the marriage. The problem was that the women didn't know how to be authentic and powerful in their lives with their wealthy husbands. It's quite possible that they didn't know how to be authentic before the marriage either. Being authentic isn't something that is generally encouraged for women in this society—or, sadly, for men. In the process I take my clients through, I've never heard a woman read aloud a description of the life she could love to live that doesn't include the desire to be part of a great love. (I think that's what every heart craves.) And great love begins with authenticity.

**MTM:** So how does this transformation affect the relationship?

**Setters:** The process can be a test of the commitment the husband has to his wife. If he truly wants her to be happy (and I always begin with that premise), then he has to be willing to give her the room to become the person she was meant to become. Typically, what he finds is that, as his wife blossoms into the new person she is becoming, she offers to share her joy. If a woman doesn't feel that impulse to share her joy with her husband, then no amount of control would ever keep her in the relationship anyway.

**MTM:** You focus on trophy wives, but the issues you discuss and the solution process you outline sound valuable for anyone.

**Setters:** Yes. I focus on women married to wealthy men, but similar issues can arise in any relationship—for example, for a man married to a wealthy woman, or a gay couple dealing with money differences—although some of the power dynamics may be different.

**MTM:** The title of this journal issue is "Embracing the Gift." It sounds as if you're really talking about embracing the gift of your true self that wealth can enable, if you know how to do it.

**Setters:** Yes. Wealth is a gift that can be a challenge to embrace. Just because it has the potential to have positive impact doesn't mean we automatically know how to use it in ways that are best for ourselves and others. But truly, I have never worked with a man or a woman who didn't have a tremendous depth of talent and insight to offer to the world. It's inspiring to experience just how rich the human spirit truly is. ■

---

*Reprinted from More Than Money, Issue 33, "Embracing the Gift: The Great Wealth Transfer, Part II," 2003, pp. 14-15ff.*

# Wealth: We Didn't Get Here On Our Own

By Chuck Collins

Respectful dialogue among people of diverse viewpoints is a hallmark of *More Than Money*. Because our members vary widely in age, family history, politics, religion, net worth, source of income, geography, and other factors, lively conversation happens whenever members get together—in person or in print. We welcome and encourage thoughtful commentary on topics of interest to our readers. The opinions expressed by the writers of *Viewpoint* are not necessarily those of *More Than Money*. To tell us what *you* think, email: [editor@morethanmoney.org](mailto:editor@morethanmoney.org).

**A**t the heart of ethical considerations about wealth are our beliefs about how wealth is created. How much of my wealth is linked to my own initiative, intelligence, and effort? How much has been the result of good fortune, God's grace, choosing the right womb, other people's labors, and/or society's investment?

As the great grandson of the meatpacker Oscar Mayer, I can look back over my family and personal history and see many examples of both individual initiative and ways in which my family and I got help along the way. When I co-founded Responsible Wealth, I began to work on the emotionally laden issue of taxation—and grew to understand that people's widely divergent attitudes and feelings about paying taxes are rooted in different beliefs about wealth creation. In conversations I have had with wealth holders, I have noticed two distinct perspectives on wealth creation, which I believe have implications for the fundamental ethical question, What does a wealth holder owe society?

The first perspective I call "the great man" theory of wealth creation. It may be characterized by the phrase, "I did it all on my own." The second perspective I call "I got some help along the way." It says, "Yes, I made substantial effort, but I didn't get here on my own." Each worldview leads to a very different set of actions and perceived obligations.

In American culture, the "I did it alone" creed of individual success is dominant. It shows up on talk radio shows and editorial pages. It sounds like: "I built this fortune myself," or "I didn't get any help along the way," or "I'm a self-made man." (There is

a characteristically male cast to these claims.)

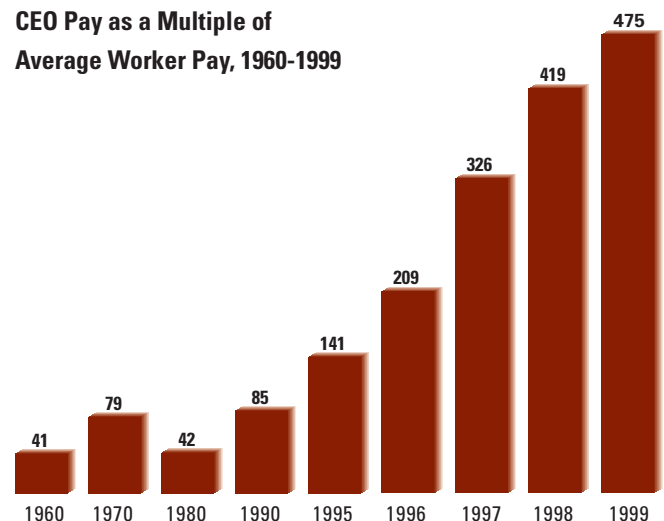
Lately, American society has witnessed some dramatic examples of the "I did it all myself" view of wealth creation. The financial world has been rocked by scandals that are rooted in the "It's all mine" view of the world. In a 2000 interview in *Business Week*, a chief executive officer of a global company who recently had been led away in handcuffs was asked to justify his enormous compensation package. He responded, "I created over \$37 billion in shareholder value ... so I deserve to be greatly rewarded." (*Business Week*, "Executive Pay: Special Report," April 17, 2000) The operative word here is "I." There was no mention of the share of wealth created by the company's other 180,000 employees. This "great man" theory of wealth creation has fueled an increasing pay disparity at U.S. corporations. In 1980, the ratio between top corporate managers and average workers was 42 to one; it now exceeds 400 to one (*Business Week*, "Executive Pay: Special Report," April 20, 2002).

I have also noticed two more subtle repercussions of the "I did it all myself" individualism. Although perhaps not true in all cases, people who believe they "did it all alone" seem more likely to view others who have less money than they as less capable of earning it, and therefore, not worthy of outside assistance. The reasoning goes: If my success is all of my own doing, then others who haven't attained success must be less



*Chuck Collins is the co-founder and program director of United for a Fair Economy and Responsible Wealth. He is co-author, with William H. Gates, Sr., of the book *Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes* (Beacon Press, 2003).*

**CEO Pay as a Multiple of  
Average Worker Pay, 1960-1999**





striving, intelligent, or motivated than I.

The second implication is: If I got here on my own, I don't have obligations or debt to others, such as to my community, co-workers, institutions, or society. From this creed of individual achievement, it is a short distance to "It's all mine" and "government has no business taking any part of it." If one really believes that "I did it all myself," then *ipso facto* any form of taxation would be a form of larceny.

In contrast, some people offer a different accounting of their success, noting that they "got significant help along the way." Warren Buffett, the founder of Berkshire Hathaway and the second wealthiest man in America, spoke of the benefit of living in this society when he imagined trying to create wealth in another country. In a 1995 public television interview, Buffett observed that the American system "provides me with enormous rewards for what I bring to this society ... I personally

think that society is responsible for a very significant percentage of what I've earned. If you stick me down in the middle of Bangladesh or Peru or someplace, you'll find out how much this talent is going to produce in the wrong kind of soil. I will be struggling 30 years later. I work in a market system that happens to reward what I do very well—disproportionately well." ("Warren Buffett Talks Business," Center for Public Television, University of North Carolina, Chapel Hill, 1995, as cited in *Warren Buffett Speaks: Wit and Wisdom from the World's Greatest Investor* by Janet Lowe, John Wiley and Sons, 1997.)

A similar view was expressed by Martin Rothenberg, a wealthy software designer, in remarks he made at a White House ceremony at which he defended the federal estate tax:

"My wealth is not only a product of my own hard work. It also resulted from a strong economy and lots of public investment in me and in others. I received a continued on p. 49

## To Whom Much Is Given

An Interview with William H. Gates, Sr.

*Interviewed by Chuck Collins*

*William H. Gates, Sr. is chairman of the Bill and Melinda Gates Foundation in Seattle. He is co-author, with Chuck Collins, of the book, *Wealth and Our Commonwealth: Why America Should Tax Accumulated Fortunes* (Beacon Press, 2003). Below, Collins asks the famous father of Microsoft founder Bill Gates, Jr. about his views of wealth creation.*

**Collins: Can individuals legitimately claim that they created their own wealth?**

**Gates:** It is important to affirm and celebrate the role of the individual in the creation of wealth. One significant reason that some people accumulate great wealth is through their extra effort, creativity, faithfulness and sacrifice. Individuals do make a difference—sometimes the difference between success and failure.

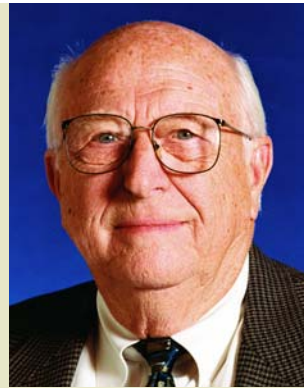
Yet it is equally important to acknowledge the role of a wide variety of influential factors, such as luck, privilege, other people's efforts, and society's investment in the creation of individual wealth. Despite our individual gifts, few things we do are ours alone. Ideas or products do not emerge in an historical vacuum—and other people's input, labors, feedback, and

suggestions are always involved. Unfortunately, the contribution of the team, the helper, the editor, and the laborer are often undervalued in measuring individual wealth and achievement. How we think about this question is important because it goes to the heart of how we think about ourselves, as individuals and as a society.

**Collins: You have written in *Wealth and Our Commonwealth* about how society contributes to wealth creation. What do you mean by that?**

**Gates:** Societal investment refers to all that society does to create and maintain the fertile soil in which some individuals accumulate great wealth. In the United States this investment is substantial and often invisible, but it includes a regulated marketplace, stable property laws, consumer protection laws, government-sponsored research, subsidized education, transportation, and other public systems, such as utilities and communications infrastructures.

There are also many other components



of the social framework that enable great wealth to be built in the United States, such as a patent system, enforceable contracts, open courts, property ownership records, protection against crime, and external threats. Even the stock market is a form of society-created wealth,

providing liquidity to enterprises. When faith in the system is shaken, as in the last year, it is clear what happens to individual wealth.

**Collins: What are the implications of this for our actions in the world?**

**Gates:** In my opinion, the main implication is that we must recognize that society has a legitimate claim upon the wealth of the wealthy. This is not simply a matter of charitable giving, of "giving back" to institutions that have made a difference to us, such as schools, arts institutions, etc. It is also an obligation to pay taxes—to pay for the public institutions that foster equality of opportunity and to give others the opportunities that we've had. I think it means we should have a progressive inheritance tax or estate tax. ■

*Reprinted from More Than Money, Issue 31, "The Everyday Ethics of Wealth," 2002, p. 25.*



# A Second Revolution

## The Way Leaders Live Their Lives

By Bob Kenny

**"I tell you that virtue is not given by money, but that from virtue comes money and every other good of man, public as well as private."**

—Socrates

John Locke originally declared that life, liberty, and property are inalienable rights. Thomas Jefferson and company put more than a small spin on the phrase in the Declaration of Independence. When the Founders wrote "life, liberty, and the pursuit of happiness," they championed a life of value, not just property. But what constitutes a life of value? And how is such a life achieved?

Socrates suggests that we find happiness by creating a life in which we honor our most cherished values. Isn't that what the founding fathers meant by "the pursuit of happiness?" They created a capitalistic system within a democracy, allowing us to pursue happiness according to our own values.

There is, however, an ever-present tension between democracy and capitalism. Our economic and political systems are dependent on each other, but it is an uneasy relationship at best. It is with the effects of that uneasy relationship that I sometimes find myself wrestling.

It is impossible to escape the reality that I live in a culture dominated by money, where values seem to be relegated to a secondary consideration. Yet I

realize that I am a beneficiary of this capitalistic system. My challenge is a balancing act: living democratic values (caring, respect, trust, responsibility) in a culture that promotes capitalist values (net worth, status, power). I must admit, at times I find it much easier to be a capitalist. As hard as I try, sometimes my life gets out of balance.

I know that if I want to be my best self, I have to pursue the democratic values I cherish. I have no ambivalence

*Bob Kenny, Ed.D., is the executive director of More Than Money. For more than 20 years he has worked with individuals, communities, and organizations to identify and address the gaps between their stated values and the realities of their lives.*



**"Despite their flaws, the signers of the Declaration of Independence are recognized as great leaders because they endeavored to be ethical leaders."**

about doing so within a capitalist system; my goal is to live with awareness and intention, integrating my values into everyday life. But sometimes I wish it were easier. As I honestly admit how tough it is for me, a leader in an organization dedicated to putting values above money, I recognize with trepidation what that portends for the country, and indeed, the world. Almost every important issue that we face as a species over the next few decades will involve money and values. Individually and collectively, we are making vital decisions about energy, food production, water, health care, and education. If we

continue on the present course, allowing money to set our standard, we will be making those decisions essentially devoid of values. What could be a greater threat to human survival?

I can't just sit back and shake my head in disbelief, or point my finger at the Enrons of the world and say that capitalism is out of control. I have to do something. Gandhi said, "We must be the change we wish to see." Certainly I must start with myself, but I earnestly desire—and need—the company and support of others.

Unlike many countries, the United States does not have one charismatic and powerful founder. David McCullough's much-honored book, *John Adams*, tells

<sup>1</sup>See *Ethical Ambition: Living a Life of Meaning and Worth* by Derek Bell, Bloomsbury USA, 2003.

<sup>2</sup>Third edition, Jossey-Bass, 2003.

us how important the network of founding fathers and mothers was, as they worked together to establish the system of government we hold so precious today. The final words in the Declaration of Independence say, "...we pledge to *each other* our lives our fortunes and our sacred honor" (emphasis mine). Their pledge acknowledges the need for us to work together as a community, a society, and a nation.

Despite individual flaws and, in some cases, contradictions between their public and private values, the signers of the Declaration are recognized as great leaders because they endeavored to be ethical leaders. They are remembered for what Derek Bell calls "ethical ambition<sup>1</sup>," not for their economic or political ambition. As we know, most of them were wealthy; some were extremely

wealthy. They believed that to be wealthy and do nothing in a morally imperfect world was not the way to pursue happiness. They pursued happiness by using their wealth to enable them to live according to their highest values. Their bold action sent a message heard around the world, transforming the way people viewed individual freedom, power, inheritance, self-governance, and the pursuit of happiness. The world has never been the same again.

We are the inheritors of their legacy. We are the seventh generation since the Declaration of Independence. Can we stand up and tell the world that Americans are ready to transform the way we look at money and the pursuit of happiness? Despite our individual flaws and contradictions, can we demonstrate by our own actions that we are willing to

attempt these changes? Can we be the ethical leaders of this generation?

I don't think there will be one charismatic leader for the challenge we presently face. In their influential work, *The Leadership Challenge*<sup>2</sup>, James M. Kouzes and Barry Z. Posner write about leaders as "ordinary people who guide others along pioneering journeys." We will need to guide and enable each other. Together, we can pursue the values and the happiness of a democratic culture, and we can encourage each other to take heart. When we do, there will be another revolution in this country and, once again, the rest of the world will never be the same. ■

---

*Reprinted from More Than Money, Issue 35, "Money and Leadership," 2004, p. 5ff.*

---

### **Collins** *continued from p. 47*

good public school education and used free libraries and museums paid for by others. I went to college under the GI Bill. I went to graduate school to study computers and language on a complete government scholarship, paid for by others. While teaching at Syracuse University for 25 years, my research was supported by numerous government grants—again, paid for by others.

"My university research provided the basis for Syracuse Language Systems, a company I formed in 1991 with some graduate students and my son. I sold the company in 1998 and then started a new one, Glottal Enterprises. These companies have benefited from the technology-driven economic expansion—a boom fueled by continual public and private investment." (*Roll Call*, March 14, 2001)

For Rothenberg, his experience instilled an obligation to society: "I was able to provide well for my family, and, upon my death, I hope taxes on my estate will help fund the kind of programs that benefited me and others from humble backgrounds—a good education, money for research, and targeted investments in poor communities—to help bring opportunity to all Americans."

Many in the post-World War II generation benefited from low-cost college education and low-interest housing and business loans as tickets onto the wealth-building train. Yet, even for people who have not gained from such explicit or direct investments, our society makes many investments that are largely invisible and that we take for granted. I believe we would all benefit from a more accurate

how people accumulate wealth. As Americans, we benefit enormously from 200 years of property definition and law.

Did I grow up in a community with good schools? Did public investment create a framework for my business start-up? How much of my fortune is dumb luck or winning the lottery at birth? What other people's work contributed directly and indirectly to my good for-

---

## "In American culture, the 'I did it alone' creed of individual success is dominant."

---

accounting of the public's investment.

For people who have amassed wealth in private enterprise or the stock market, it is important to measure society's contribution to these institutions. Our society has created a framework of property law that enables individuals to own and sell property. We give preferential tax treatment to investment income, just one of a number of important tax breaks given only to asset owners. We have a regulated marketplace. The value of these socially created systems is greatly undervalued in our history as well as in our individual assessments of

tune? As I have asked myself these questions, I have found many instances of assistance in my own life. And as I have posed these question to others, I have seen that the more we each identify the role of other people, institutions, and public investment in creating the fertile soil for wealth creation and success, the more we realize that our debt is enormous and our obligations numerous. ■

---

*Reprinted from More Than Money, Issue 31, "The Everyday Ethics of Wealth," 2002, pp. 24ff.*



# Standing Up to RANKISM

An Interview with Robert Fuller

*Interviewed by Pamela Gerloff*

**MTM:** You have said: “The country that identifies rankism and sets out to overcome it is going to lead the world in the next century.” What is rankism?

**Fuller:** Rankism is a new term, which I came up with while I was writing *Somebodies and Nobodies*. By rankism I mean abuse and discrimination—which sometimes becomes exploitation—based on differences in power as signified by rank. In institutional contexts, we can regard rankism more narrowly as rule violations by those in positions of power to serve their own ends. Rankism is found in all hierarchical institutions and in society at large.

Before I wrote the book, I experienced rankism, as we all do, but I didn’t have a name for it. If we are to combat rankism, it is as important to have a name for it as it was to have a name for sexism. The first chapter of Betty Friedan’s *The Feminine Mystique* is entitled “The Problem without a Name.” When, five years later, the word sexism was coined, the women’s movement really took off.

**MTM:** How do you distinguish rankism from some of the other “-isms,” like racism, sexism, or ageism?

**Fuller:** Rankism is broad and encompassing. Other -isms are more specific. The concept of rankism gets at the real culprit underlying all of them, which is abuse of power. For instance, with racism, white people, historically, have seen people of color as weak. That’s why they thought they could enslave them. Humans are predators! Fortunately, we’re smart enough now to rule slavery as out of order, even though it still exists in the world today. It is because rankism

encompasses the other -isms that I say that whoever identifies rankism and sets out to overcome it is going to lead the world in the next century.

**MTM:** You’re talking about extending dignity to everyone, regardless of rank.

**Fuller:** Yes. I’m not against hierarchies and rank. I am against the abuse of rank.

**MTM:** Would you give some examples?

**Fuller:** Examples of interpersonal rankism are a boss harassing an employee, a customer demeaning a waiter, a coach bullying a player, a doctor disparaging a nurse, a teacher humiliating a student, a parent belittling a child.

I had a trivial reminder of rankism when I lost my title of president after I left Oberlin College. I say trivial because I

can’t compare this experience with the level of rankism experienced on a daily basis by, for example, someone working at Wal-Mart who has three jobs and four kids. Nonetheless, rankism happened to me in little ways when I left that position. People who had kept their promises to me immediately felt relieved of that obligation when I was no longer a somebody. People would say, “I’ll call you” and then wouldn’t bother. If you’re someone who has money in the bank, a house, and a fancy car, those kinds of indignities hurt you as much as they hurt someone with little money or status. Perhaps you feel the hurt so strongly because you’re used to having promises kept.

**MTM:** But you say it’s not just about the dignity people accord you. It’s also about experiencing your own inherent sense of dignity.

TAXI/WALTER WICK/GETTY IMAGES



Robert Fuller never graduated from high school or college, but he entered Oberlin College at age 15, and Princeton University graduate school at age 18. He taught physics at Columbia University, published a book on mathematical physics, and developed a course for dropouts at a ghetto school before becoming the dean of faculty at Trinity College, Connecticut, and then president of Oberlin College. At the time the youngest college president in the United States, Fuller initiated educational reforms to combat racism and sexism that drew national attention. He later began a campaign to influence the U.S. to end world hunger, which led to the establishment of the Presidential Commission on World Hunger. In the 1980s, Fuller made frequent trips to the USSR as chairman of Internews, an organization devoted to fostering independent media in emerging democracies. He also worked on other projects dealing with conflict resolution and economic development, traveling widely throughout the world.



*With the collapse of the USSR, Fuller's work as citizen diplomat came to a close. As he reflected on his career, he came to understand that, at various times, he had been a somebody and a nobody and the cycle was continuing. His periodic sojourns in "nobodyland" led him to identify and investigate "rankism" and ultimately to write his latest book, *Somebodies and Nobodies: Overcoming the Abuse of Rank* (New Society Publishers, 2003).*

**Fuller:** That's right. For example, young people who inherit wealth often feel a deep guilt and shame about not contributing. Some resolve that by giving money philanthropically and getting involved in humanitarian projects. Without that, they don't respect themselves. So it isn't just about other people treating you with respect; it is also an inherent sense of dignity that comes from knowing you have contributed.

**MTM:** Isn't money one of the biggest arenas for rankism in our society? We accord rank—that is, power and status—to those with the most money.

**Fuller:** Yes, and the rank one has because of money is easily abused, both in small and large ways.

**MTM:** You've noted that the effects of rankism can be measured in terms more concrete than loss of dignity.

**Fuller:** Yes. For example, in terms of the demographics of electoral politics,

rankism afflicts no group more than the working poor. In *Nickel and Dimed: On (Not) Getting By in America*, Barbara Ehrenreich makes a compelling case that the working poor are, in effect, unacknowledged benefactors whose labor subsidizes those who are more advantaged. In *Wealth and Democracy: A Political History of the American Rich*, Kevin Phillips explores how the rich and politically powerful create and perpetuate privilege at the expense of the middle and lower classes. A *New York Times* magazine article ["Ghetto Miasma: Enough to Make You Sick?" by Helen Epstein, October 12, 2003] described the chronic stress suffered by those of low socioeconomic status as a significant public health problem.

**MTM:** In our culture we talk about people wanting money because they think it will bring them happiness, but I don't really think that's the main motivator, at least in many cases. I think a major reason is that people want to protect themselves from being nobodied. People pursue money because it will

bring them status and rank—they'll be a somebody. Would you agree with that?

**Fuller:** Oh yes. We seek titles and the protection of somebodiness as a way of shielding ourselves against rankism in our society, exactly as some blacks once sought to pass as white and women writers of the nineteenth century assumed the names and identities of men. Part of our motivation in wanting to be somebodies is that we want to protect ourselves from the chronic humiliations suffered by nobodies.

**MTM:** The curious thing is that even somebodies get nobodied. People with important positions or titles or lots of money may have high rank in our society, but they, too, experience being nobodied by others.

**Fuller:** Yes. Rankism is contextual. Most of the time, no matter how high up we are, we can look around and see someone of higher rank than we are. A number of years ago, I was in the White House when a famous singer came to see the president of the United States. I watched as each of these extraordinarily powerful and famous men began to feel insecure around each other, clearly feeling like a nobody in comparison to the somebody they thought they were shaking hands with.

**MTM:** This happens with money, too. No matter how much money you have, there is generally a somebody "above" you.

**Fuller:** Money still greatly skews things in a rankist way, in that people defer to those with money because they fear the power of the money and hope to get some of it for themselves. Most people instinctively defer to money, unless they are among a very small, counter-cultural group who don't.

My wife and I recently had a new counter installed in our house. We were scheduled for installation when the carpenter received a much bigger order from someone else. He immediately put us out of rotation and

continued on p. 52

**Fuller** *continued from p. 51*

honored the bigger order. He was even a friend of ours, but it didn't stop him from immediately deferring to the client with more money. In that example, the rankism consists less in his shifting to honor the other contract first, but in not being honest with us. If he had said, "This is my livelihood. I can't afford not to do the other job first," I would have said, "That's O.K. I'm glad you told me."

**MTM:** Not being honest about it violated your dignity.

**Fuller:** Yes, rankism is felt as a lack of dignity. You experience your relative worthlessness; you feel you are worth less as a person when someone treats you in a rankist way.

**MTM:** It seems important for people in positions of high rank—such as people with money or in leadership positions—to understand rankism, because their rank gives them additional power to change some of the institutionalized rankism you talk about in your book. Would you talk about institutionalized rankism and what we can do about it?

**Fuller:** Institutional rankism is the rankism we encounter when we deal with bureaucracies, nonprofit organizations, schools, hospitals, churches, and governments. In police states it takes the form of exploitation and oppression of the citizenry. In democracies it consists of the daily indignities of dealing with institutions whose *de facto* goal is self-preservation and aggrandizement rather than service.

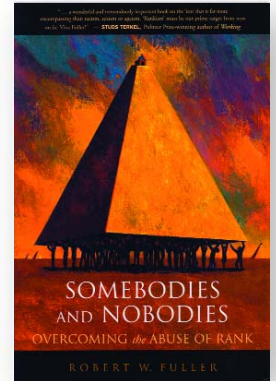
Although somebodies who neither perpetrate nor tolerate rankism can help legitimize protests against rankism (much as white liberals helped legitimize the civil rights movement), much of the impetus for eliminating rankism must come from nobodies. Social justice is never just handed to those who lack it. Only when the victims of unfairness are aroused and demand dignity and equity for themselves does the status quo

## Somebodies and Nobodies: Overcoming the Abuse of Rank

By Robert Fuller  
(New Society Publishers, 2003)

This wise and thoughtful book gives us all a metric to better understand when we are in fact abusing rank, and offers insight into how and when rank may be used productively, without harm to others.

—Mark McDonough in a book review of *Somebodies and Nobodies: Overcoming the Abuse of Rank* in *More Than Money*, Issue 35, 2004, p. 8.



change. Not until blacks found their voice and protested the injustice of racism did Americans outlaw segregation. Not until women built the modern women's movement and targeted sexism were they able to win a measure of equity. In America today, what primarily marks people for mistreatment and exploitation is not race or gender but low rank and the powerlessness it signifies.

**MTM:** So how do we get rid of rankism?

**Fuller:** In the same way we have diminished sexism. Women made men aware of what they were doing and also persuaded women to stop colluding in their own subordination. With sexism, it has been mainly a consciousness shift. In addition, crucial legislation has been passed, such as laws against sexual harassment and mandating equal pay for equal work.

We already have a lot of anti-rankism statutes on the books, but mostly they are ignored. We don't generally indict corporate crooks, for example, just as we never used to indict lynchers. Only in the 1960s did lynching come to be seen as the murder that it is. We have recently begun to witness some indictments with corporate scandals that have occurred. I cannot imagine that corporate corruption will be a common occurrence once society ceases to sanction rankism.

More than enacting new laws against rankism, we need to enforce those that are already on the books. Bullying isn't against the law, but it is against most schools' regulations and is undignified. If we transform the social consensus

from condoning to disallowing rankism, it will dry up in a generation.

The other thing is, you can't end rankism with rankism. To actually end rankism, you have to preserve the dignity of perpetrators while offering correction. You have to protect other people's dignity as you would have them protect yours. It's like the golden rule.

**MTM:** Do you think there has to be an organized movement?

**Fuller:** I don't think it will look like the civil rights or women's movements. Instead, it will take the form of building a dignitarian society. If it's true that serious, chronic health problems stem from rankism, we will end up creating a dignitarian society to lower our health care costs. We will create dignitarian workplaces because we want to stay in business. Efficiency, productivity, and creativity all soar in the context of dignified workplaces. All fall in the presence of rankist workplaces. We will be pressured into creating dignitarian institutions not by demonstrations in the streets, but because dignitarian institutions outperform rankist institutions.

**MTM:** Rankism seems so pervasive, and much of it is very subtle. Do you think we can actually eliminate it?

**Fuller:** I know we can reduce these chronic indignities, just as we have reduced the indignities of racism and sexism, and I believe that, eventually, we will be able to

*continued on p. 58*



# The Power of Integrity

By George Thompson

*Editor's Note: Although, in this personal story, Dr. Thompson does not use the word rankism, his sophisticated self-analysis reveals the mechanism that underlies rankism: the impulse to make others feel small so that we can feel bigger. The solution he discovers frees both mind and heart.*

I used to have a strong reaction to people who seemed to misuse their power. When people would act superior because they had a lot of money, I would get a tight feeling in my jaw and gut. I would think to myself that they should not be lording it over other people just because they had more money, especially if they hadn't even made the money themselves; it was an inheritance they had not earned.

Then I took two courses: one on how to live deliberately, the other on integrity.<sup>1</sup> As I did the course exercises, I discovered that the attitudes and behaviors I was criticizing in others were actually ones that I had exhibited but had not

took subtle forms. A professor in medical school had warned us about the "I'm a wonderful doctor syndrome" and I began to see that one form it took for me was in a kind of "nobility complex." I would do this good work for people, but then, secretly, I would think it removed me from obligations that an everyday person would have, like taking out the trash or responding to emails and phone calls or being patient with my wife. Secretly, I would think, "I shouldn't have to do those things because I'm contributing so much in other areas. I'm too busy to be bothered with common concerns." Similarly, when I gave to others,



*George S. Thompson, M.D., is associate professor and director of the residency training program in the department of psychiatry at the University of Missouri-Kansas City School of Medicine. He also teaches the Avatar® course in the U.S. and abroad.*

**"When I gave to others, especially through committees and boards I was on, my good work in the world became an excuse not to live up to standards of average human decency."**

wanted to admit to myself. I started to realize that, although I considered myself a good person and had done many good things in my life, I sometimes acted from self-serving intentions.

Specifically, I realized that I, too, had lorded things over people; I had acted just like those people I was reacting to. My technique, however, was a little different. I used talents that I had inherited, instead of money, to justify my acting superior—but the result was the same. I made people feel small so that I could feel bigger.

Sometimes making myself feel bigger

especially through committees and boards I was on, my good work in the world became an excuse not to live up to standards of average human decency.

It was initially a bit horrifying to realize that I had put people down to build my own ego, and that I had deceived myself that my giving was serving others when it was really serving myself. After all, I was a psychiatrist and medical school faculty member who was supposed to be helping people, and here I was discovering that I had used my power to make myself feel better at the expense of others. This was

not exactly the image I had of myself!

However, seeing my ill intentions with awareness turned out to be incredibly freeing for me. I had had no idea how much time, energy, and attention had gone into keeping those bad intentions under wraps. I had had no idea how separate it had made me feel from others.

It may seem simplistic to say, but as I have become more aware of my intentions—discovering where they have been altruistic and where they have been self-serving—I've gained a surprising sense of wholeness and freedom. I can feel how, in the past, I divided my power. I used part of it to create things in the world and part of it to keep my bad intentions in check. It was as if I had been keeping an eye on myself to make sure I didn't do anything wrong. Once I began to be honest with myself about my intentions, I found that I could connect with other people more easily because I didn't need to hide anything. As I began to shift from self-serving intentions to service to others, I could trust myself more freely—and it seemed that others could put their trust in me as well.

continued on p. 59

<sup>1</sup> The Avatar® course and the Personal Integrity Mini-Course, developed by Harry Palmer. The Avatar® Personal Integrity Mini-Course is available for free on the internet at [www.avatarepc.com/html/minicourses.html](http://www.avatarepc.com/html/minicourses.html). Avatar®, Living Deliberately®, and Star's Edge International® are registered trademarks of Star's Edge International. All rights reserved.

# Creating a Giving Culture

An Interview with Bernard Lietaer

*Interviewed by Pamela Gerloff*

Is it natural to be generous and to share our resources? Maybe, says Bernard Lietaer, but it goes against our cultural norms. And that, he maintains, is the fault of our money system. Our money system shapes us, fostering particular emotions and behaviors, thereby affecting fundamental aspects of society. To create a giving society, change the way our money system works. Sound impossible? Not to Lietaer. He says it's perfectly do-able, and within a single generation, too.

**MTM:** Is your approach to money systems an entirely new way of thinking about money?

**Lietaer:** I believe it to be a new angle. Most people believe that the existing system is the only one possible. The image that comes to mind is that humans are to money like fish are to water. Fish are born, live, and die in water. That is why it is so difficult for them to understand the nature of water. Similarly, we humans live within our money system and it is generally transparent to us. But I have been exposed to money systems from a variety of perspectives, in a way that few people have. I've been tossed around a few times and become a flying fish, so to speak. Because I've been exposed to our money system from the outside, I have a different perspective on money.

**MTM:** If what you say in *The Future of Money* is true, the ideas you introduce are startling in their ability to get at the root of core social problems, such as poverty, the breakdown of the family in Western society, and even, perhaps, violence. They can also make us more generous people.

**Lietaer:** Yes. Our money system affects, in particular, our emotions and relationships. Money systems can promote greed

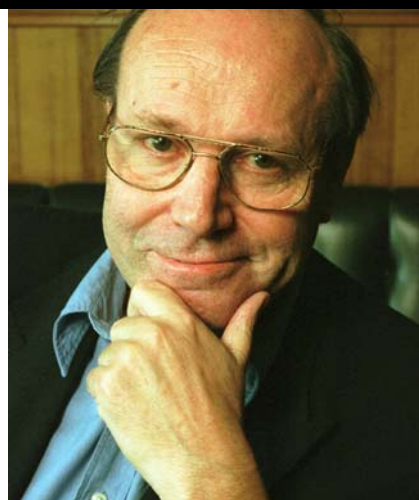
and scarcity or generosity and abundance. Therefore, different money systems have predictably different effects on individuals, communities, and societies.

**MTM:** And this is not theoretical; it is based on empirical evidence?

**Lietaer:** Yes. In the world today there are several thousand communities that are experimenting with non-conventional money systems operating right alongside conventional money. These exist in places like the United States, Europe, China, and Japan. And we now have considerable evidence that different currencies create different behavior patterns and relationships among the people who use them.

**MTM:** What are some of those behavior patterns and relationships and how can a money system do all of that?

**Lietaer:** Let me start first by defining what money is, and is not. It is *not* a thing, though it may appear to be one. If you have a thing—say, a pen—and you go off to a deserted island, your pen will still function as a pen on the island. In contrast, money is an *agreement* within a community to use something as a medium of exchange. Therefore, when you take money to your island, the



*Bernard Lietaer is the author of ten books, including *The Future of Money: Creating New Wealth, Work, and a Wiser World* (Century/Random House, 2001) and *Of Human Wealth: Beyond Greed and Scarcity* (ACCESS Foundation, 2003).*

*For 25 years, Bernard Lietaer has been active in the domain of money systems in an unusual variety of functions. While at the Central Bank in Belgium he co-designed and implemented the mechanism for converting Europe to a single currency system (the ECU). During that period, he also served as president of Belgium's Electronic Payment System. His experience as a consultant addressing monetary issues spans four continents and ranges from working with multinational corporations to governments of developing countries. He co-founded one of the largest and most successful currency funds, becoming its general manager and currency trader. Mr. Lietaer was a professor of international finance at the University of Louvain and is currently a visiting professor at Naropa University in Boulder, Colorado. He is the co-founder of ACCESS Foundation, an educational nonprofit organization that focuses on disseminating best practices in the domain of complementary currencies.*

money becomes simply a piece of paper or metal or whatever. But it is no longer money because on your island the agreement has become meaningless.

Because money is an agreement within a community, we can design money to be almost anything we want it to be, such as

a piece of paper, a coin, practically any item, or a service performed. When we agree to consider something an acceptable medium of exchange, we have established a form of currency.

**MTM:** And because money is an agreement, it exists only where relationships among people exist.

**Lietaer:** Yes, the very existence of money implies a community within which the

exchanged for another thing.

However, in what is called a gift-giving economy, when you make a transaction, something very different occurs. Let's say you're on your way to the store to buy some AA batteries. Your neighbor, sitting on his porch, sees you. You stop to chat and he says, "Oh, I have some extra batteries. Here, you can have a couple." Now you have the batteries; you have made a transaction. But it's an "open transaction"—a reciprocal exchange has not

community and gift-giving. In community, there is a giving back and forth. The giving isn't in only one direction.

**Lietaer:** Yes, gifts tend to become reciprocal. When I give you something, someday you will give something back—either to me or to someone else in my community. In contrast, commercial money exchanges are a closed transaction, so no ongoing relationship is formed. I give you the money and you give me the item or service and we're done. Neither of us owes anybody anything. It's an effective means of exchange, but it doesn't tend to lead to community building.

**MTM:** And this is true within the family as well?

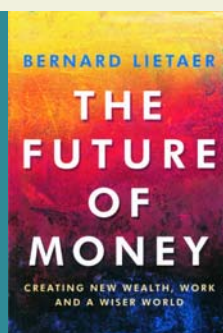
**Lietaer:** Yes. We used to live in extended families. In fact, we can still observe such extended families in southern Italy and South America, where a *familia* typically consists of 70 or 80 people. But, gradually, there has been a systematic worldwide trend toward replacing extended families with nuclear families. Why? Part of the answer is that we now have money exchanges within the extended family. When Granddad moves in, we expect him to pay for his housing with his pension. When our children do household chores, we pay them for their work. Such monetized exchanges fail to create relationships of reciprocity. The parents have given their children the gift of life, the gift of education, and so many other things. If the children don't have the opportunity to give back to their parents, they are unable to participate in an essential aspect of true community.

**MTM:** The "giving among each other."

**Lietaer:** Yes. So when you start paying your son to cut the grass, you may unwittingly undermine the family.

**MTM:** So how do we restore families and communities through our money system?

**Lietaer:** Many communities now are using "local currencies" that create and reinforce community. continued on p. 56



**The Future of Money: Creating New Wealth, Work, and a Wiser World** by Bernard Lietaer (Century/Random House, 2001) describes the variety of different money experiments going on in the world today. The book offers a visionary, yet practical, framework for using money to transform society. It is available through [www.amazon.co.uk](http://www.amazon.co.uk).

Bernard Lietaer's book **Of Human Wealth: Beyond Greed and Scarcity** (ACCESS Foundation, 2003), discusses both the psychological and the practical aspects of money systems. It is available at [www.accessfoundation.org](http://www.accessfoundation.org).

Bernard Lietaer can be reached at: [blietaer@earthlink.net](mailto:blietaer@earthlink.net).

---

“Because money is an agreement  
within a community, we can design money  
to be what we want it to be.”

---

medium of exchange is acceptable to all. The community could be a group of friends who meet to play cards and use tokens as money. The community could be a temporary one, such as soldiers on the war front who used cigarettes as a medium of exchange. Or it could be the world community in which an exchange agreement is reached by treaty, as in the case of the Bretton Woods agreement in 1945, which made the dollar acceptable reserve currency worldwide.

**MTM:** You say that the kinds of relationships that result from money exchanges are different, depending on the currency system you're using.

**Lietaer:** That's right. When you go to a store and buy a pack of batteries, you pay with dollars and the transaction is over. It's complete; something has been

occurred. So you now have a connection to your neighbor that, as a human being, you are not likely to ignore. Perhaps the next time your neighbor runs out of milk, he'll knock on your door and ask if he can borrow some. A relationship has been formed or strengthened.

**MTM:** And when relationships are formed, community is built.

**Lietaer:** Exactly. Gift exchanges actually build community. In fact, the word "community" derives from the Latin *cum munere*, which literally means, "to give among each other." So in our language itself, there is the recognition that community is related to the act of giving to one another.

**MTM:** It seems that the idea of reciprocity is important to your concept of



**Lietaer** *continued from p. 55*

There are various systems in use. One of the simplest is Time Dollars, where the unit of account is the hour of service. For example, for every hour you give in service to someone in your community you are entitled to receive an hour of service from someone else.

Another system is in operation in the town of Ithaca, New York. There, they have created a paper currency called “Ithaca Hours,” which is intentionally limited in its circulation to approximately a 50-mile radius around Ithaca. Many local businesses accept payment in both Ithaca Hours and conventional money. Keeping the currency local ensures that the money remains within the local economy, rather than being spent elsewhere. It also tends to create ongoing relationships among community members.

These local currencies, used in conjunction with our conventional money system, allow communities to solve many of their problems without relying on conventional money to do it. This means that scarcity of money is no longer an obstacle to solving social problems.

**MTM:** In *The Future of Money*, you give many examples of non-conventional currencies throughout the world that have had very positive social effects. If these currencies are so effective, why don't we replace our conventional money system with them?

**Lietaer:** I don't believe we should discard the money system we currently have. For one thing, it is so deeply embedded in our social and economic system that it would be very hard to do. But the deeper reason has to do with the necessary complementarity between cooperation and competition within a society. There has to be a balance between “gift-giving” and “monetized” economies. [See *Definitions sidebar*, p. 58.] I use the Taoist concept of yin-yang to articulate this idea because English does not have adequate words to express it. It means more than just opposites co-existing together. It contains the

“The word  
‘community’ literally  
means, ‘to give  
among each other.’”

idea of transcending polarity to reach a higher unity.

In Chinese philosophy, yin represents the feminine energy, and yang represents the masculine. They are not opposites; they are *complementary* elements of a whole. Both are needed to have a balanced system. Each element of the whole has its own characteristics. For example, yin diffuses, flows, and creates networks;



STEPHANIE DALTON COWAN/GETTY IMAGES

yang centralizes, concentrates, and creates hierarchies.

Our “normal” or conventional money is an extreme yang construct. It is centralized and hierarchical. It is created by bank-debt through an authority—the Federal Reserve and the banking system. As economists Jackson and McConnell correctly state: “Debt-money derives its value from its scarcity relative to its usefulness.” In other words, conventional money has to be scarce or it will become valueless. Furthermore, it is always created with interest, which further concentrates money; by definition, interest flows from those who don't have money to those who do. Finally, everybody needs to obtain this money because it is the only one the tax authorities accept in payment. So people have to compete

among each other to obtain that scarce currency. In short, every feature of our conventional money system is yang.

A yin money system is the opposite. The currency is not issued by a central authority. In the time-dollar system, if I do something for you I get a credit and you have a debit; the money is created by the people who use it. And there is always enough of it. If we agree that I do something for two hours instead of one, we create enough currency to reflect that fact. We don't have to compete to obtain this currency, and I don't have to borrow it from somewhere and pay interest on it.

The potlatch model of the Northwest Indians is an example of a yin economy. In that system, those who are most admired and respected are those who have given the most. They spread their wealth out among the community through the potlatch ceremony. [See *sidebar*, p. 58.] In our yang economy, we tend to view people who have concentrated wealth as being the ones to admire.

**MTM:** What you're saying makes a yin economy sound more desirable than a yang economy.

**Lietaer:** I don't see yin as “good” and yang as “bad.” My point is that we need both in proper balance. There is a role for competition and concentration of money and a role for cooperation and flow of money. However, I do maintain that in our modern society, the fact that we have a monopoly of yang currency systematically distorts that balance.

In the Taoist system, when there is an imbalance toward yang, the solution is not to get rid of the yang, because that would only create excess yin—which would be another kind of imbalance. Instead, whenever there is excess yang, Taoists always recommend that we “calm the yang and activate the yin.”

**MTM:** How do we do that?

**Lietaer:** One powerful way to “calm the yang” is to give some of your money away when you have more of it than you need. In a yang economy, this takes effort because you're operating ‘out of the box,’

from a yang perspective.... Giving away money will help create a balance in the overall system because it is dispersing some of the currency, which has been overly concentrated in one place.

A good way to “activate the yin” is by introducing what I call complementary (or yin) currencies into local communities.

**MTM:** What are complementary currencies?

**Lietaer:** They are currencies that link unmet needs with unused resources. Such currencies don’t have interest, and elicit cooperation rather than competition among the people who use them. Complementary currencies—when sufficiently developed—counterbalance the effects in a community of the conventional currency.

In Bali, for example, there is a traditional “dual currency” system—one is a gift-giving currency, where people offer their skills and talents to others; the other is the conventional national currency. Typically, an adult Balinese spends about 30% of his or her time in the complementary-currency (yin) economy, and the balance in the conventional (yang) economy. People who have visited Bali and have been able to appreciate the quality and joy of life of the ordinary Balinese will have some idea of what a world in balance might feel like.

**MTM:** Would you say more about what happens when we don’t have a balance of currencies?

**Lietaer:** A society that operates exclusively with a yang currency will tend to “starve” all yin functions: for example, community building, and taking care of our kids, our elderly, and the environment. It will also suffer from various dysfunctions, which even those who have a lot of that currency will experience.

**MTM:** Such as?

**Lietaer:** Well, the countries that are most “developed” are those that are the most “monetized;” that is, they have

replaced informal gift exchanges with conventional (yang) currency exchanges. They are also those that, by many measures, have the least healthy community functioning; they have very high levels of despair, suicide, and social dysfunction.

On an individual level, I know some wealthy people who are truly happy, but they are rare. In a discussion I had with several financial professionals who advise multimillion-dollar families about what to do with their money, unhappiness was one thing those advisors could say that their clients had in common. Unhealthy family relations was another.

**MTM:** And you attribute this to our currency system?

**Lietaer:** An extreme yang currency system has a shadow phenomenon, in the Jungian sense of shadow; it is the manifestation of something that is repressed. For a long time, I asked myself, “What is the difference between a society that is using only conventional (yang) money, and a society using a dual (yin-yang) money system?” It took me six months of research and four months of living in Bali to realize what the answer is.

The outer circle represents the social level. Let’s say I am known as a person of wealth in my community, and I make a reservation at the restaurant down the hill. There is a whole set of expectations that comes into play even before I arrive. People at the restaurant will expect me to come with a specific type of car, a specific type of woman, and a specific type of interest in food, because of my financial reputation and status. This is known as “the burden of expectations.” I, Bernard, do not exist anymore as an individual. I am everything that goes along with the label of me as a wealthy man. Of course, because I am a wealthy person, I’m supposed to leave a big tip, even if I didn’t think the service was good. If I don’t, I’m a bastard. So I can’t trust the feedback society gives to me about myself and who I am.

The second circle represents the lack of trust among my friends. One of the major questions people of wealth have is, *Is he or she really my friend? If I were no longer wealthy, would this person be my friend?* So, people who are wealthy have trouble trusting their friends.

Then there is the family level. Let’s say my brother is being very nice to my

---

## “The role of the gift is greater than it may appear.”

---

**MTM:** What is it?

**Lietaer:** The short answer is *trust*. In a society with dual currencies—which is therefore in greater yin-yang balance—people trust the universe to be supportive; they trust their community to be helpful when needed; they trust the family to be there, whatever happens; and they trust the future. In a society where the yin is repressed, people lack trust.

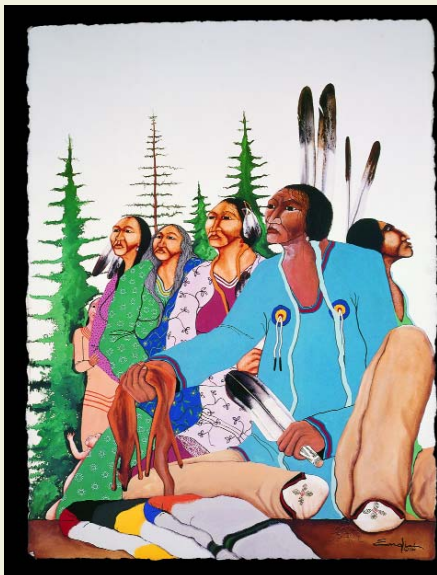
In our culture, the most typical dysfunction within wealthy families is distrust. This lack of trust manifests in a pattern of four concentric circles, which psychologist Bernice Hill calls “the sacred wounds of money.”

grandfather. I wonder: Will that create a problem with my inheritance? (Will he get more than I will?) Or perhaps my father says to me, “If you marry that girl, I’ll disinherit you.” So my family interactions are tainted by money, which makes it difficult for me to trust my family.

Finally, there is the individual level—and this shows up particularly among those whose wealth is inherited. *Who am I? Am I only a bank account? Is there something about me that’s me and not just my money?* In the end, I have no clue. So I don’t quite trust myself.

These are the shadow sides of money. Loss of trust is the core of the problem.

And the first continued on p. 58



Among the Northwest Indians—who lived in what is today Washington, Oregon, and Northern California—the potlatch ceremony was a ritual through which gifts such as food and clothing were distributed to members of the community. Those who shared their wealth in this way were regarded with admiration and respect.

*Artwork: Our People,  
Giving Away*

By Sam English of the Turtle Mountain Redlake Chippewa Indians in Redlake, Minnesota

**Lietaer** *continued from p. 57*

reaction that people who are not wealthy have is, “I wish I had that problem”—which is absolutely not understanding the depth of the issue. The cliché, of course, is that money doesn’t buy you happiness, but even that doesn’t address the deeper issue of loss of trust.

**MTM:** Lack of trust does seem to be a pervasive phenomenon.

**Lietaer:** All of that is from the perspective of an individual with wealth. From a broader societal viewpoint, the distrust manifests as the breakdown of community. If we believe we can address social problems by throwing money at them, we are not addressing the issue of people not being able to trust each other.

In a society using exclusively conventional money, money typically gets concentrated at the top of the social system. If you have money, you get more by just having it. Then you find that others are jealous of it, so you need police and an army to protect it. In such an environment, people can’t trust anyone or anything.

By introducing local (yin) currencies into an excessively yang conventional currency system, we begin to recreate community. It’s like weaving a tapestry. When I give to another person, I weave a community strand by creating a relationship with the particular community

member I am giving to. We are becoming interdependent.

If I am using a Time Dollar system, I am weaving strands a little differently. I am still creating strands within the community, although not with the particular individual I have given to. It is, instead, a multilateral process. I give something to one person, that person gives something to another, and eventually, someone else gives something to me. It is the combination of all these interactions—all these many strands—that completes the tapestry. This is what it means “to give among each other.” And this is how we build community. The role of the gift is greater than it may appear.

The bottom line is that we need to realize that our current conventional money is not value-neutral. We now have evidence that complementary currencies create different types of relationships than conventional currencies do. We can promote competition, greed, and scarcity, or cooperation, generosity, and abundance with our money systems. The choice is ours. ■

For practical application of these ideas, see “Time Dollars: A Currency that Creates Community, An Interview with Auta Main,” interviewed by Jane Gerloff, in *More Than Money*, Issue 37, “Money and Community,” 2004, pp. 14ff.

*Excerpted from More Than Money, Issue 34, “The Art of Giving,” 2003, pp. 28-33.*

## Definitions

- **money**—an agreement within a community to use something as a medium of exchange.
- **gift economy**—exchanges in which people offer gifts, or their skills and talents, to others without receiving conventional money in exchange.
- **monetized economy**—an economy where informal gift exchanges have been replaced by exchanges using conventional money. The United Nations uses this criterion to define a “developed country.”
- **conventional currency**—a money system that uses conventional money as the medium of exchange. In a conventional currency system, money is issued with interest, through bank-debt; by definition, the money must be scarce and therefore elicits competition among its users.
- **complementary currency**—a means of exchange other than conventional money, used in local communities to link unmet needs with unused resources. Complementary currencies do not have interest, and elicit cooperation rather than competition among users.

**Fuller** *continued from p. 52*

eliminate rankism. When people begin to see it, a lot of progress can be made. That’s why it’s so important to talk about it—and to keep on talking. The women’s movement never let us stop talking about sexism, and it made a difference. With a couple of generations of work on rankism, we’ll be there. ■

*Reprinted from More Than Money, Issue 35, “Money and Leadership,” 2004, pp. 6-9.*



### Schervish *continued from p. 44*

of meeting true needs. In this model of wisdom-as-meeting-true-needs, accumulation that leads to growth in the economy has a logic of spirituality to it as much as philanthropic generosity does. In this new model, we're identifying a broader, deeper, and more profound wisdom.

**MTM:** Is there a right or wrong way to transfer wealth—for example, when deciding whether and how much to leave to charitable endeavors or to heirs or to taxes?

**Schervish:** Morality in this model is not just an outcome, it's a process of decision-making. ... The very process of figuring out what it is you are to be doing with your talents and your financial capacity is itself a spiritual activity. If I have \$20 million, it doesn't necessarily mean I should be giving more to charity. My obligation may mean building a business and employing 50 people. Charitable giving is not the only avenue of financial morality in this age of affluence. There is a whole range of moral options, but they need to be discerned.

**MTM:** How does one discern?

**Schervish:** You start by asking the questions *What do I want to do? What inspires me?* You also ask *What meets the true needs of others?* It may be caring for your little child right now or your dying mother. The important thing is that it is something you do yourself, in the realm of direct care, rather than through some organization or government or through other people's activities.

**MTM:** Why is that important?

**Schervish:** Because only you can discern what you should do. It's not about what you can put off on somebody else to carry out. When you are directly involved, that enables you to identify with the fate of others and to find happiness as you contribute to the happi-

ness of others. That's why it's important to do something that you want to do.

So you are discerning three things: a connection to your ultimate end, whatever you conceive of that to be (e.g., happiness, service, union with God); an affective part, which you find by asking *What inspires me?*; and an intellectual component, which you discern by asking *What needs to be done?*

The final part is the execution of it. How do you put it into practice? This involves discernment too. In my view, it's figuring out what is to be done by you that is the will of God. That is discerned by finding where what you want to do and the needs of others intersect.

**MTM:** What if people don't relate to God? Is what you're saying relevant to them?

**Schervish:** Oh, yes. God is just one statement of a final end in life. Aristotle says happiness. Aquinas says the unity of love of God, love of neighbor, and love of self. Heidegger says participation in Being. A Buddhist would say the entrance into unity of all beings. Your ultimate end is the end that isn't able to be described as a means to another end, whatever that is for you. ■

*Excerpted from More Than Money, Issue 32, "Passing the Torch: The Great Wealth Transfer," 2003, pp. 5ff.*

### Thompson *continued from p. 53*

Now, most times, when I see others who are acting superior and self-serving, I don't have the strong emotional reaction that I used to. Instead, I often feel a sense of compassion because I know what it is like to be on my high horse, and I'm able to respond more effectively because I feel more centered and comfortable with others. This has made me a more effective leader—and a happier person.

If I do have a strong reaction to somebody or something, I ask myself: *What haven't I taken ownership for in my own life? What haven't I assumed responsibility for? Where might I be doing the same thing?* I use personal integrity exercises [from the Integrity Mini-Course, *see footnote, p. 53*] to initiate a process of self-examination and to realign with my best intentions.

These days I recommend to others, including my patients, medical students, friends, and colleagues, that they undertake some action to serve others with awareness; and I recommend some work on the integrity of their own intentions. In doing so, my hope is that others can experience what Rabindranath Tagore, the Nobel Prize-winning Indian poet, was alluding to in these lines:

I awoke, and saw that life was service.  
I acted, and behold, service was joy. ■

*Reprinted from More Than Money, Issue 35, "Money and Leadership," 2004, pp. 28-29.*

## BolderGiving Resources

Available at [www.boldergiving.org](http://www.boldergiving.org)

### Story and Video Library

Over 100 brief vignettes of extraordinary givers from across the economic spectrum. These Bold Givers have committed at least 20% of their net worth, income, or business profits toward making a better world.

### Bold Conversation Series

Monthly teleconferences and online chats offer an informal chance to interact and learn from Bold Givers.

### Explore Your Giving Potential

An invitation to explore in the coming year ways to become more bold in your own giving, and to take the next step that's right for you.

### Give Half Pledge

Bold Givers, be counted! This pledge is for people of all financial levels who commit to giving 50% -- of income for three years or more, of business profits, or of net worth.

### Bolder Giving Workbook

Through articles, exercises, and stories from outstanding givers, this workbook offers step-by-step guidance for people exploring their lifetime giving potential.

### We Gave Away a Fortune

This award-winning book features stories of sixteen people who gave 20% or more of their wealth and highlights common themes among them.

### More Than Money Journals

Explorations of the impact of money in our lives. Each 16-32 page issue includes personal stories, articles, and resources. Available in three different formats: free pdfs of each issue, print-on-demand books that compile 5-7 issues by theme, or separate articles you can browse online. *(See list of 40 back issues in right column.)*

## More Than Money Journals

Order at [www.boldergiving.org](http://www.boldergiving.org)

### Giving

- # 2 What Makes Giving Satisfying?
- #12 Creative Giving
- #16 Family Foundations
- #20 How Much to Give?
- #23 Partners in Community Change
- #26 Effective Giving
- #34 The Art of Giving

### Lifestyle, Spending & Investing

- # 4 How Much is Enough?
- # 8 To Spend or Not to Spend
- #15 The Human Side of Investing
- #25 Working with Financial Professionals
- #27 Lifestyles of the Rich and Simple

### Children and Inheritance

- # 9 Money and Children
- #24 What Are We Teaching our Children?
- #32 The Great Wealth Transfer
- #33 Embracing the Gift
- #39 Money and Children

### Relationships

- # 1 Money Between Friends
- # 5 Money and Couples
- #17 Cross-Class Relationships
- #30 When Differences Divide
- #37 Money and Community
- #40 Money and Relationships

### Money and Identity

- # 3 Money, Work, and Self-Esteem
- # 7 Money and Spirit
- #14 Young and Wealthy
- #18 Art and Money
- #19 Women, Money, and Power
- #22 Money and Death
- #36 Money and Work

### Money and Values

- # 6 Outrageous Acts with Money
- #11 Embracing our Power
- #28 Who Knows You're Rich?
- #29 Money Changes Everything
- #31 The Everyday Ethics of Wealth
- #35 Money and Leadership
- #38 Money and Happiness

# **BOLDER GIVING**

**Give** more. **Risk** more. **Inspire** more.

330 West 38th Street, Suite 505  
New York, NY 10018  
646.678.4394  
[info@boldergiving.org](mailto:info@boldergiving.org)  
[www.boldergiving.org](http://www.boldergiving.org)