

WELL-BEING & INHERITANCE

Developing the intersection of well-being science and trust & estate planning

INHERITANCE PLANNING PROMOTING CAREER WELL-BEING

“Career is one of the most important projects in people’s lives.”¹ It is also a main concern in inheritance planning as many parents fear that money may harm their children’s engagement in a successful career. Because of this fear, the use of legal vehicles such as incentive trusts and limited inheritance is common among wealthy families. However, a non-fear-based approach can be pursued.

CAREER, CAREER SUCCESS, AND CAREER SATISFACTION

“Career” is “an evolving sequence of person’s work experience over time”² Career has a subjective component that reflects the individual’s personal sense of progress and evolution, and an objective component related to the external perspective concerned with social role, official position, status, and such.³ **For example, an individual may have been gradually promoted from junior analyst to senior director within an organization in a 10-year period, yet have no sense of career or a feeling of lack of direction in their career because they moved indiscriminately in search of the next promotion.**

A career develops in four primary phases.⁴ Individuals with high levels of psychological well-being are more likely to develop a more robust work personality, higher levels of vocational identity, and more effective job-finding behaviors. High levels of psychological well-being correlate to having purpose in life, being autonomous, experiencing personal growth, environmental mastery (managing life situations well), having positive relationships and developing self-acceptance.⁵



“Career success” is the accomplishment of a desired work-related outcome during a person’s career experience. Career success also has both a subjective and an objective dimension. Subjective career success is related to the individual’s internal assessment of and satisfaction with their career progress, which depends on personal aspirations, values, and expectations. Objective career success is defined by external perspectives based on tangible indicators of a person’s career situation (income, job level, etc.).⁶ **The individual in the example above may be perceived as having a successful career based on promotions and salary, but personally may feel they have failed in building a career consistent with their values and long-term aspirations. Subjective and objective career success are interdependent.**

FOUR PHASES OF CAREER DEVELOPMENT

BUILDING A WORK PERSONALITY: learning work-related behaviors.

DEVELOPING A VOCATIONAL IDENTITY: becoming aware of career interests, goals, skills, and talents.

FINDING WORK ENVIRONMENTS THAT FIT VOCATIONAL IDENTITY: career decision making can be impacted by confusion, anxiety and conflict.

EMPLOYABILITY: effectively finding a job.

“Career satisfaction” is closely associated with subjective career success, and it is considered one of the most important subjective career experiences of an individual.⁷ Because people spend a significant part of their lives developing their career, satisfaction with their career has a direct impact on overall subjective well-being. Individuals satisfied with their career are also satisfied with their life. Also, the more satisfied individuals are with their career, the more engaged and committed they are with their career.

When evaluating career success, it is useful to keep in mind that:⁸

- Career orientation is not universal. Not everyone is career-oriented.
- Career orientation can change with new self-discoveries or personal events that trigger major conceptual-emotional shifts, such as having a child.
- Work experience shapes the career map either motivating progress in the same direction or helping individuals become clearer about work they do not like or for which they are not well suited. This is common in the first jobs out of college. Individuals are not experienced enough to know what type of job or industry is a fit for their career aspirations.
- Contextual variables such as organizational culture, career stage and career opportunities shape the career map too. For example, a toxic corporate culture or an abusive boss can deteriorate a person’s self-efficacy and deteriorate career motivation and engagement.

SEVEN FEATURES OF CAREER WELL-BEING¹⁴

MOBILITY: opportunities for career transitions into roles with new challenges.

INTERPERSONAL RELATIONS: good relationships with colleagues and supervisors. General support, feedback and recognition from these relationships are important.

RELATIONSHIP WITH ORGANIZATION: feeling independent and in charge (autonomy and power).

PERFORMANCE: effective work performance (as opposed to feeling bored and unchallenged).

PURPOSE: values-driven approach builds subjective career success.

LEARNING AND DEVELOPMENT: developing new skills or having a prospect of developing them in the future.

WORK-LIFE ISSUES: integration between work and other aspects of life.

FIVE DEFINITIONS OF CAREER SUCCESS⁹

GETTING AHEAD

An aim for moving up to the top of the ladder in a large organization. Individuals pay a personal cost (health, personal relationships, etc.) for rewards such as position, money, status, recognition, sense of efficacy, power, etc.

GETTING SECURE

Long-term job security in a large or reputable institution where individuals can hold a respected place. Individuals trade dedication, loyalty and service for financial benefits, job security and reciprocal appreciation.

GETTING FREE

A path built on personal autonomy, low supervision, flexible schedule, low bureaucracy, and responsibility for outcomes. Individuals are willing to work very hard for the reward of independence and self-control.

GETTING HIGH

A career driven by the need for excitement, action and full engagement in the process and content of work finding it difficult to separate themselves from their work. This is the case of many entrepreneurs, artists and specialists who engage in intensive periods of concentration on work obsessed by the challenges.

GETTING BALANCED

A long-term path that values expending energy to enhance relationships and personal life. Work is a very important aspect of career success, but it is not allowed to devour relationships and self-development. These individuals normally separate work from other aspects of their life.

CAREER WELL-BEING, CAREER SUCCESS AND GENERAL WELL-BEING

Career well-being refers to a long-term psychological state of subjective well-being generated by individuals’ long-term contentment with their career outcomes, career achievements, career changes, and their outlook in their anticipated future career context.¹⁰ It includes the time perspective dimension.¹¹ Career well-being is an ongoing state rather than an outcome in a moment in time. This time feature differentiates career well-being from career as well as well-being at work. **The individual of our example might feel trapped in a pessimistic future career view because, despite their current position, they cannot continue growing which is draining and a source of unhappiness. Moreover, the career change desired might come with a personal and/or financial cost.**

Research shows that greater well-being leads to career success (and not vice versa):¹²

- Happy employees enjoy better career success outcomes than their less happy counterparts: they find autonomy and meaning in their work, they are satisfied with their jobs, they are better rated, they perform well and they earn higher salaries and have strong social support systems.
- Greater life satisfaction also brings greater job satisfaction, income, prosocial behavior, social support and less emotional exhaustion.
- Happy people are more likely to acquire and keep a job, commit to their organizations, experience job satisfaction, receive superior social support and supervisor evaluation, perform well, engage in prosocial workplace behaviors and earn high incomes.

“Well-being positively impacts career success on a host of outcomes, including autonomy, meaning, job satisfaction, performance, productivity, engagement, absenteeism, burnout, turnover, coping, supervisor and peer evaluation, social support, prosocial behavior, income, confidence, negotiation skills, and creativity.”¹³

ASPIRATIONS, MOTIVATIONS AND CAREER WELL-BEING

Aspirations have two distinctive aspects:¹⁵ they are future oriented, and they motivate individuals to invest time, effort, or money to achieve them. This distinguishes aspirations from immediate gratifications, idle daydreams and wishes. Aspirations can be applied in various contexts but in the case of career, aspirations are drivers of a long-term horizon at a higher level than goals which are shorter-term (e.g. a salary increase or a promotion).

Based on Self-Determination Theory,¹⁶ aspirations can be intrinsic - oriented towards one's natural tendency to grow (aspirations related to meaningful relationships, helping others, or self-acceptance and growth) or extrinsic - oriented to external rewards (aspirations related to wealth, self-image, or fame). Research shows that ¹⁷

- The more intrinsic and self-determined (autonomous) individuals' career aspirations, the stronger their positive effect on subjective career success and well-being.

- On the contrary, the more extrinsic and controlled individuals' career aspirations, the greater their negative effect on subjective career success and well-being.
- Pursuing aspirations of self-acceptance and growth within a career is favorable to subjective career success.
- Pursuing wealth aspirations is directly related to a less favorable perception of subjective career success.

ESTATE PLANNING AND CAREER WELL-BEING

The incentive trusts mentioned previously are not intended to support career well-being, but only objective career success (corresponding to a “getting ahead” scenario) as they encourage beneficiaries to take high compensation jobs. Not only are they meant to control a beneficiary's career, but they focus exclusively on extrinsic and objective aspects of career success. They disregard the subjective aspects of career success or career well-being, as well as the importance of intrinsic aspirations and motivation (self-determination theory).

The downstream consequences of pushing beneficiaries to earning high salaries are not only multiple but also of long-term impact: lack of sense of career, purpose, fit, and a sense of career failure, dissatisfaction, frustration, demotivation, unhappiness and disengagement with work and life.

Per the literature explained above, supporting career well-being involves a broad menu of skills, character, and behaviors. Some of them include becoming employable (developing work-related skills and behaviors), being self-aware (discovering personal interests, strengths, skills, and talents) and finding a fit in the work environment, practicing sound decision-making (coping with anxiety, confusion, and conflict), experiencing self-efficacy, developing self-acceptance, being autonomous and intrinsically motivated, identifying intrinsic aspiration and finding purpose. Enjoying high levels of general well-being (life satisfaction) and happiness also spillover into career well-being.

Estate planning supporting career well-being encourages a beneficiary to become the best version of themselves and choose a career that is in line

with their strengths, values, and interests (intrinsic aspirations). It encourages autonomy and freedom to choose (intrinsic motivation). It supports education, training, skills development, and career coaching/counseling (which can help with many of the items mentioned in the prior paragraph).

Our Well-Being Trust language supports the above. It also highlights the importance of overall well-being, which in turn, supports career well-being. The focus is on flourishing and living a good life by increasing all domains of well-being. This is explained to be a lifelong journey, making it clear that it is a continuous journey as opposed to a pushing for a high income in present time.

Our lifetime approach to inheritance (or giving over the arc of the donor's lifetime) supports career well-being in various ways. By supplementing income at earlier stages of a career, it allows a beneficiary to pursue a meaningful career that can later develop into a successful one. It provides peace of mind in crisis and life changing events, including career crisis and career changes.¹⁸

For more information on how to positively use family wealth and inheritance to foster family well-being - thriving in multiple domains of life, see our Family Wealth and Inheritance Services page or contact Richard Franklin, rfranklin@fkl-law.com, (202.495.2677), Claudia Tordini, ctordini@fkl-law.com or your FKL attorney.

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- [14] Kidd, *supra* note 11 at 180 & 181.
- [15] R. Sherwood JR, [A Conceptual Framework for the Study of Aspirations](#), Research in Rural Education, Volume 6, Number 2, pps.61-62 of pps.61-66 (1989).
- [16] For Self-Determination Theory, refer to our December 2023 Bulletin ([How can charitable giving support donor well-being](#)) and January 2024 Bulletin ([Inheritance planning supporting financial well-being](#)).
- [17] S. Girouard & J. Forest, [A Career Path Leading to Well-being and Success](#), Canadian Journal of Administrative Sciences, 36 pps.198-199 of pps.193-207 (2019).
- [18] See our [November 2023 Bulletin](#) for more background on lifetime inheritance for well-being model.

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