

## Money & Soul

# Health: The Fifth Dimension of Family Wealth

by Courtney Pullen and Kristin Wehner

December 2007

*Courtney Pullen is a psychotherapist/business advisor based in Denver, Colorado, who works primarily with financial services professionals. He can be reached at [pullenconsulting@earthlink.net](mailto:pullenconsulting@earthlink.net).*

*Kristin Wehner is a consultant and coach who partners with entrepreneurs and business leaders to increase their impact by leveraging their health and the health of their employees as a business asset. You can reach her at [www.kineticenterprise.com](http://www.kineticenterprise.com).*

*“So many people spend their health gaining wealth, and then have to spend their wealth to regain their health.” —A.J. Reb Materi*

If one of your clients were given a million dollars at birth to cover all of the expenses in his lifetime, would you advise him to just cross his fingers and hope that it would last until his last breath? Or would the strategist and optimizer in you leverage the potential power in that million dollars, building that financial asset into a substantial and powerful gift, able to fund a lifetime of *living*? Most likely, you would advise your client to make that original capital work for him—you’d help him find the highest-return investments, advise him to continue contributing to his lifetime “expense account,” and you would feel confident that you had done your job in encouraging him to proactively build that asset. As a steward of his assets and as a trusted advisor, one thing you would *not* do is stand idly by while he did nothing to grow his million dollars, instead spending it thoughtlessly until the account closed with a zero balance. Just like money and property, health is an asset. Health is the fundamental element of every individual’s longevity, creativity, physical stamina, short-term mental acuity, long-term mental clarity, and overall quality of life. In the absence of adequate health capital, the power of financial capital is greatly lessened—it becomes an accumulation of money and property with a significantly diminished ability to be applied to the pursuit of living one’s life and realizing one’s life vision. *Why treat the health assets of clients differently from their financial assets?*

## Health: The Fifth Dimension of Family Wealth

While traditional paradigms of family wealth planning focus on best practices for the preservation and transference of financial capital, innovative wealth advisors have begun to embrace a more comprehensive definition of family wealth—one that includes the human, intellectual, and social capital of family members (Hughes 2004). Within this progressive framework, multi-generational wealth preservation practices acknowledge that the power of compounding doesn't just apply to a client's investment portfolio, and that, in fact, a family's long-term financial capital is strongly correlated with the well-being of individual family members. Within this four-pillar model of wealth preservation, financial capital becomes the tool by which the other forms of capital are developed and expressed. But even within this broadened definition of wealth, one essential form of capital remains to be elucidated: health capital. If human, intellectual, social, and financial capital are the four pillars of family wealth preservation, then health capital is the foundation on which those pillars stand.

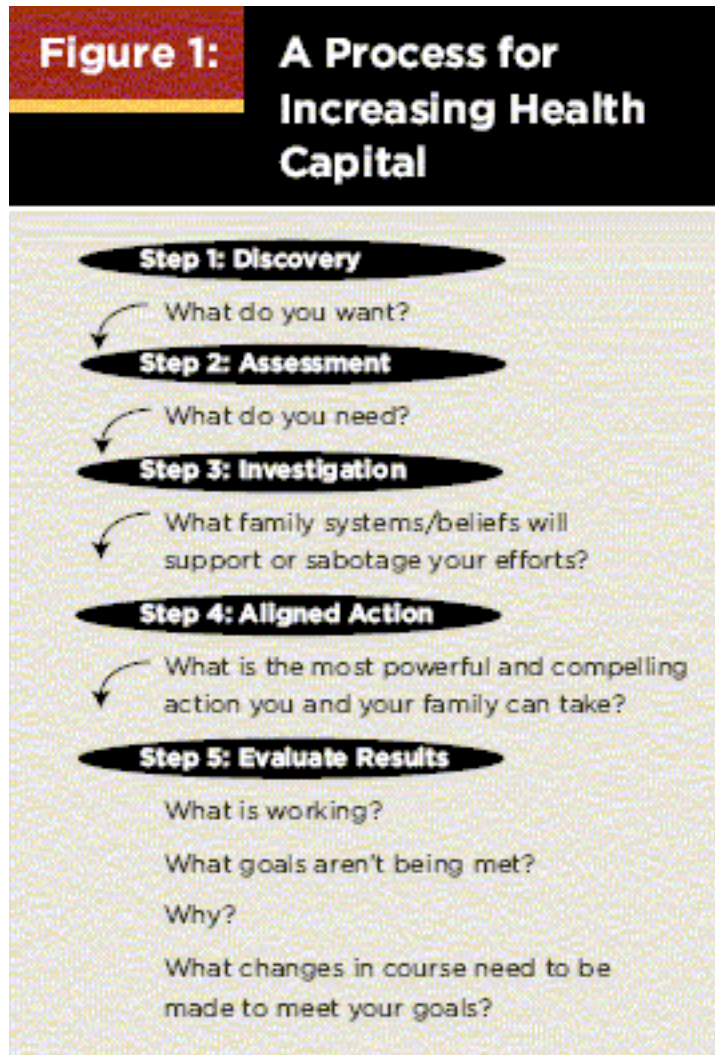
### The Power of Health Capital

Like financial capital, health capital is a tool. It enables the freedom to move, to think, and to play. It expands one's ability to assimilate and use new information, engage in adventure, and fully tap into the experience of being alive. The individual and collective health of family members is an essential element to the pursuit and realization of a family vision—foundational to the growth of the financial, social, intellectual, and human capital. Which do you think is more important to your clients—belonging to “the club” or having the stamina to play 18 holes and still hit from the back tees? Providing the capital for their grandson's business or actively mentoring their grandson in the development of a business plan? Funding their great-granddaughter's wedding or dancing at it?

### Families as Organizations

Much of the governance of family wealth is based on the best practices of organizational management, and that parallel can be effectively extended to encompass family health management. The practice of assessing and improving the aggregate health status of an organization's employee population has been termed *health and productivity management* (HPM). HPM is an “emerging business strategy focused on improving the total value of human resource investments. It is based on the recognition that individual health strongly influences the productivity of individuals and their organizations” (Goetzel et al. 2001). As with other practices of family

governance, the field of HPM provides tangible validation of the intuitively apparent conclusion that healthy employees are more engaged, more productive, and cost an organization less than unhealthy employees. The same logic applies to members of a family. How can families begin to increase their individual and collective health capital? The process mirrors that which has been successfully implemented and evaluated, and has yielded a positive return on investment at a multitude of work sites. See Figure 1 for an outline of the process.



## Catalyzing Sustainable Change

Human behavior is complex and change is hard. Just because someone is provided with information on what changes to make and how to make them doesn't mean they have clarity on why the change matters. Understanding why it matters—and how that change supports a guiding vision and aligns with a core set of values—is paramount to sustainable change. The

importance of health is not new in the realm of family estate planning. The traditional use of individual health screenings, teams of doctors, nutritionists, and personal fitness trainers is indispensable in the service of promoting health in family systems. These traditional methods for addressing health provide valuable information as to what changes need to be made and resources on how to make them. But the current system lacks the client-centered discovery that is essential to uncovering one's intrinsic motivation for change. Therefore, the client-centered discovery process is critical and enables clients to gain clarity on why they are compelled to make the change and how it aligns with their goals and values. Once this "why" has been uncovered, not only is what to change and how to change it easy to embrace, but the process of embracing becomes a joyful celebration of the synergy between goals and values...and that's change with staying power.

## **Building a Legacy: The Five-Generation Process of Wealth Building**

It has been said that people will talk more openly about subjects ranging from political beliefs to sex than about their personal finances. Often, even more closely guarded than honest discussions of money are honest discussions of personal health. Entering this sacred space with clients requires a heightened level of consciousness and conscientiousness from advisors—courageously inviting meaningful dialog and reflection that, when combined with the appropriate support, opens the doors to a powerful and lasting individual and familial evolution. Families embarking on the transformational journey of building governance that supports a five-generation vision of family wealth preservation are ready for this step in their evolution. If families are willing and open to addressing the most empowering way for approaching the questions, "How much are we worth?" and "How does it affect me?" they will find equal, if not greater, value in addressing, "Does alcoholism/heart disease/cancer run in our family?" and "What are our family secrets/ habits/practices that support or undermine our individual and collective health?" If you had a client who was gifted with a million dollars at birth to cover all of his lifetime expenses, how would you advise him to handle that asset? As a trusted advisor, your role is to be a steward of your clients' assets and a resource for growing those assets. By considering health as an asset, you engage your clients in a transformational journey of discovery, the impact of which extends far beyond—while also giving greater meaning to—portfolio performance.

## **References**

Goetzel, R.Z., Ozminkowski, R.J., Yuhasz, L.S. 2001. "Becoming an Internal Champion for Health and Productivity Management." Wellness Councils of America Special Report.  
<http://www.welcoa.com/freeresources/index.php?category=8>. Hughes, James E. 2004. *Family Wealth: Keeping It In the Family*. New York: Bloomberg Press.