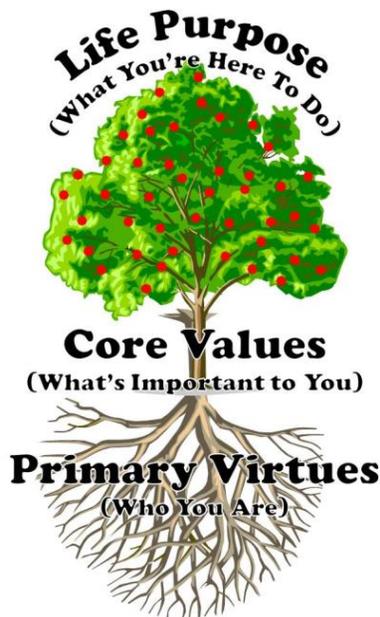


## **BUILDING A STRONG FAMILY TREE: A LASTING LEGACY FOR FUTURE GENERATIONS**

When wealthy clients are asked what they want most for their children and grandchildren, the answer is always the same: they want their children and grandchildren to be happy. Nothing is more gratifying than watching children grow up to be happy, useful, and productive members of society. Likewise, nothing is more heartbreaking than to see them grow up to be miserable, useless, and unproductive. These extreme outcomes are not a matter of the “luck of the draw” or the result of some “good-seed/bad-seed” explanation. They are often the direct result of the condition of the family tree. Below is a picture of an apple tree, an illustration used to depict a family tree.



There are three parts to this “family tree”: (1) the root system; (2) the tree itself; and (3) the fruit on the tree. The root system represents the Primary Virtues upon which the family tree is built and upon which the tree draws its life. The tree itself represents the Core Values that are a natural outgrowth of the root system. Core Values are those activities and priorities in life that we choose to pursue. The fruit on the tree represents our Life Purpose, what we are here on this earth to do.

## The Difference Between a Primary Virtue and a Core Value

When a client is asked to define “values” and “virtues,” they often struggle to clearly distinguish the two. A “value” can be defined as: “What we believe to be important or has worth for us, something that has utility.” It is something we prize; it is valuable to us. Money, for example, can be said to have value because of what it can do for us. Cars, homes, jewelry and real estate are all valuable. Recreational activities as a means of entertainment may be valuable to us.

Whereas “virtue” is defined as: “What we believe to be right, good and proper.” With virtue there is a critical component of “rightness” or “goodness” that is missing in the definition of a value.

Money, real estate, homes, and cars are not thought of as right or good. They are thought of as valuable, useful, or important. Virtue, on the other hand, addresses character, integrity, and goodness—being and doing what is right. Often these definitions alone do not adequately provide clarity between the two terms. The following comparison chart helps to further define and differentiate “values” and “virtues.”

<b>VIRTUES</b>	<b>VALUES</b>
<b>External</b> <i>(created outside of us)</i>	<b>Internal</b> <i>(created by our own design)</i>
<b>Objective</b> <i>(a matter of fact)</i>	<b>Subjective</b> <i>(a matter of opinion)</i>
<b>Universal</b> <i>(commonly accepted)</i>	<b>Local</b> <i>(widely divergent)</i>
<b>Moral</b> <i>(perception of right/wrong)</i>	<b>Amoral</b> <i>(no perception of right/wrong)</i>
<b>Immutable</b> <i>(unchangeable)</i>	<b>Variable</b> <i>(ever-changing)</i>
<b>Eternal</b> <i>(transcends time)</i>	<b>Temporal</b> <i>(ends with us)</i>
<b>Divine</b> <i>(extends from nature of God)</i>	<b>Human</b> <i>(extends from mind of man)</i>

### External vs. Internal

Virtues are external. We did not conceive them in a moment of brilliance or invent them in one of our more creative moments. They were bestowed upon us. For example, the virtue of telling the truth. Was that your idea? Or did someone teach you that telling the truth was the right thing to do? Values, on the other hand, are created by our own design. What is important to us is just that—important to us. We decide what is important, what we like, and what we want to pursue.

## **Objective vs. Subjective**

Virtues are always objective in that people will recognize a virtue as a matter of fact. Again, using truth as an example, we may not be able to determine what the truth is in a certain situation, but we all agree that the truth is what we want. A value, though, is a matter of opinion. If one person was a baseball fan and another was a football fan which would be “right?” Neither. It is a matter of opinion, a value.

## **Universal vs. Local**

A virtue is accepted universally. You can go to virtually any corner of the earth, any culture, any religion and you will find consensus among all as to the “rightness” of a particular virtue. Values are widely divergent. If you go to Chicago, you will find people there tend to be Bulls’ fans. In Indianapolis, just 150 miles south, people tend to be Pacers’ fans. Values change from geographic location to geographic location, from culture to culture and from religion to religion. They all hold different things to be important and valuable. It even seems odd to think of someone who prefers blues music over classical as being right or wrong about his or her music preference.

## **Moral vs. Amoral**

Virtues carry the perceptions of right and wrong. Parents tell their children and grandchildren, “It is right to tell the truth. To tell a lie is wrong.” A value carries with it no such moral underpinning. If you like Harvard University and someone else likes Ohio State, or if you like opera and someone else likes drama, there is nothing in these preferences that makes them right or wrong. There is nothing moral at stake here.

## **Immutable vs. Variable**

Virtues do not change from generation to generation, from nation to nation, or from culture to culture. They remain the same. Values change. Do you remember what was important to you when you were eighteen years old? What about now? Are those same things still important to you? Values change, even within one’s own lifetime. Why would anyone attempt to build a comprehensive, intergenerational, wealth transfer plan based upon *values* knowing that they are, and will continue to be, in a constant state of change?

## **Eternal vs. Temporal**

Virtues have existed from the beginning of recorded time. You can go back into our most ancient manuscripts and you will find that the same virtues we embrace today were embraced thousands of years ago as well. This is why virtues-based planning is so powerful. Time has tested and proven these virtues survive and thrive throughout time. Values come and go. They are here today and gone tomorrow. Are there things you value that your children have no interest in whatsoever? The answer is probably, “yes,” maybe even several things. That’s why it is so frustrating trying to pass on our Core Values. If they are not rooted in the Primary Virtues, they can die with you.

## **Divine vs. Human**

The reason virtues are external, objective, universal, moral, immutable, and eternal is that they are the extensions of the nature of the Divine. Values are mankind’s best attempt at coming up with virtues. That’s why values are internal, subjective, local, amoral, variable, temporal, and human. Every human being has his or her own unique combination of Core Values. It is rare to find two people who value all the same things.

## Distinguishing Between the Two

Scan down the list and determine whether each item is a value or a virtue. Remember that a virtue always contains an element of universal rightness, a value always carries with it a matter of subjective opinion.

### Virtue or Value

- \_\_\_ Sports
- \_\_\_ Music
- \_\_\_ Making Money/Getting Rich
- \_\_\_ Business Success
- \_\_\_ Giving to Others/Philanthropy
- \_\_\_ Social Status
- \_\_\_ Honesty
- \_\_\_ Material Possessions
- \_\_\_ College Education
- \_\_\_ Temperance
- \_\_\_ Financial Freedom
- \_\_\_ Personal Responsibility

Of the twelve items listed above, only four are virtues. (1) Giving to Others/Philanthropy, (2) Honesty, (3) Temperance and (4) Personal Responsibility. The rest are all values.

Below is a list of what I call the Primary Virtues. They are primary because you can go to any race, culture, or religious group at any period of time in history and find these Primary Virtues regarded by the group as necessary for strong families and a healthy society.

### **Honesty**

Always telling the truth

### **Humility**

Thinking of others as more important than yourself

### **Sacrifice**

Giving of yourself with open hands and a loving heart

### **Industry**

Working hard and taking pride in your work

### **Responsibility**

Being answerable for yourself and your actions

### **Temperance**

Knowing when enough is enough

I haven't met any parents who didn't want these virtues to be present in their heirs' lives. Wouldn't you love to have someone describe your child to you as being "as honest as the day is long" or to hear of your son that he "would give a person the shirt off his back"? How about having your daughter's boss tell you, "She's the hardest worker we have, and when I give her a job to do, it is always well done." It would make you proud, wouldn't it?

What if you confronted your child about a mistake he or she made, and your child responded with, "Yes, Mom and Dad, I messed up. I'll personally fix it." After you regain consciousness, you would be impressed no doubt with your child's sense of personal responsibility. What a joy it would be to hear your child say, "Mom and Dad, I already have enough, I don't need or want any more."

These utterances would make any parent proud. Their children would be demonstrating high levels of virtue, character, and integrity. If an overriding goal of wealthy parents is for their children to be happy, there is no better way to achieve that goal than to inculcate these Primary Virtues in them and into your planning. The sooner they learn these virtues, the better. But it's never too late, no matter how old your children are, to go to work on this task.

Often, however, these virtues are absent in the heirs' lives. And, in the absence of these Primary Virtues, something else moves in to fill the void—vices. Look at what can happen when your heirs reject one or more of these Primary Virtues.

- An absence of **Honesty** breeds *Corruption, Mistrust, Manipulation, Duplicity, Cheating*
- An absence of **Humility** breeds *Pride, Self-centeredness, Conceit, Discrimination, Bigotry, Disrespect*
- An absence of **Sacrifice** breeds *Greed, Selfishness, Lack of forgiveness, Lack of Concern, Lack of Love, Envy*
- An absence of **Industry** breeds *Low Motivation, Shallow Commitments, Lack of Direction, Laziness, Sloth*
- An absence of **Responsibility** breeds *Irresponsibility, Poor Accountability, Unreliability, Blaming*
- An absence of **Temperance** breeds *Excessiveness, Overindulgence, Extravagance, Addiction*

These vices are not limited to the wealthy. Vices are common among all people, regardless of their net worth. But what I have observed is that wealth increases the ability to indulge in many vices. Wealth doesn't build character; it only reveals it. The wealthier bad children are, the worse they can be. An ancient Jewish proverb says it well, "Luxury is not fitting for a fool." If a child is going to pursue vices instead of virtues, is an inheritance of any kind appropriate? This question is not asked often enough.

### **Judging a Child Based upon Virtues and not Values**

One of the greatest areas of conflicts between parents and children occurs when values and virtues are blurred. An example of this was the very successful businessman Henry Bennett. Henry had a strained relationship with his oldest son, Tim. Henry wanted Tim to take over the family business, but Tim wanted to go into music. Henry thought his son should get a "real" job and make more of himself. As a result, they were barely civil to one another.

Here, the father failed to distinguish between his personal Core Values and the family's Primary Virtues. He was setting standards for his son based upon what was important to him, not his son. He was trying to force his Core Values on his son, meanwhile his son had developed another set of Core Values. What they could not see was they were both living out their Primary Virtues in exemplary fashion—Henry in his business and Tim in his music.

Once Henry Bennett realized the difference between virtues and values, the frustration and disappointment disappeared almost immediately. It is true that Henry would have liked for Tim to have taken over the business. But he now recognized that for Tim to be truly happy in life he needed only two things, (1) to fully embrace the Primary Virtues and (2) to use his own personal Core Values to discover and live out his Life Purpose—what a liberating revelation for this father.

Children will never be happy and will never maintain their parent's Core Values by trust or by decree. Unless children voluntarily maintain the same values, as soon as the parents are gone, so are their Core Values. Frankly, in light of this understanding of the difference between Core Values and Primary Virtues, who cares if the parents' Core Values die with them? Is that such a bad thing? As one father said using the family tree metaphor, "I don't care what my children's 'tree' grows to look like or even what kind of fruit it produces—as long as it is growing from the same 'root system' as mine."

Attempting to build a family heritage using values as a foundation is like building a home on shifting sand. To build a legacy with virtues is like building a home on bedrock. Initially, the buildings may look quite similar. However, the former will most assuredly collapse, likely sooner than later, while the latter will certainly endure for many generations to come. For families that want to establish a lasting family heritage, there seems little doubt upon which foundation they should elect to build.

In my opinion, these discussions are absolutely essential to successfully develop a comprehensive, multigenerational wealth transfer plan that will work effectively to bless the heirs and enable them to grow as human beings and pursue their highest and best purposes in life. I have not worked with a wealthy couple yet that, when confronted with an enhanced clarity between values and virtues, the planning decisions were not significantly affected as a result.

If you want to build a strong family tree that will sustain the harsh realities of time, you must cultivate a strong root system of Primary Virtues. Then, let your "young saplings" grow as they will, become all they can, and achieve what they are called to do. Just sit back and enjoy their adventures. With this added emphasis in planning, you have greatly increased the chances of long-term success in transferring your family's wealth to future generations. This may be both the most important investment of your life and the one that will produce the greatest number of dividends.

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## **ABOUT THE AUTHOR — E. G. "JAY" LINK**

E. G. "Jay" Link has a unique combination of being an ordained minister with a Master Divinity degree in Biblical Theology and a professional Stewardship planning coach who for over 40 years has been working with very affluent Christian families to enable them to optimize their Kingdom impact with all that the Lord has entrusted to them to manage. After retiring from his personal practice, he then served for five years as Director of Taylor University's Stewardship Planning Ministry, which he launched for them. Most recently, Jay founded the Stewardship Resource Group to serve Christian ministries, colleges, and churches to better minister to their highest capacity families. He has written six books, hundreds of articles and has provided extensive training curriculum for hundreds of professional financial and legal advisors in how to provide stewardship planning services for their clients.