CREATING MEANING FROM MONEY

Wealth is about more than money. By finding purpose, building relationships, exploring new experiences and giving back, families and individuals can find deeper, more meaningful levels of wealth.
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Creating Meaning From Money

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Money’s Meaning

People want more from life than money. They want to develop understanding. Pursue dreams. Have incredible experiences. Give back. They want to cultivate a true sense of wealth—abundance, joy, satisfaction and, above all, meaning.

Many wealthy families know that money doesn’t come filled with deeper meaning or equate to a sense of prosperity. That’s why families are adopting a more comprehensive view of wealth based on the idea that growing financial capital isn’t an end in itself, but rather a facet of building three additional types of capital: social, intellectual and human. Think of these “four capitals” as pillars of a house—they balance and support one another.¹ The new standard for wealth is to create meaning and build these pillars first.

Each of the four capitals deserves in-depth exploration, but focusing on human capital is a good place to start, because it’s what gives us the capacity to develop into something greater in the future. Human capital is the sense of potential that aligns our talents and experiences with our values and strengths to achieve our unique purpose. That’s why wealth creators, many of whom are driven to succeed by a deep sense of purpose, often have human capital in spades. Financial capital tends not to be their primary goal, but

Asking questions to prioritize the kind of life one wants is essential to defining one’s purpose.

I. Defining Passion & Purpose
Think of people you admire who have various forms of wealth. Perhaps they have a lot of money, or financial capital, but more likely you admire them for their achievements, experience or sense of fulfillment in other areas of life. They likely know the answer to the question: What kind of life do I want to live?

When families don’t explicitly talk about the purpose of life, the rising generation may base life decisions on how they think they should live, rather than on the life they want to live. They might, for instance, feel they should follow in a parent’s footsteps and take a high-powered position in the family business, without acknowledging that what they want is a simple life with different, less-pressing obligations. It’s easy to be guided by inertia instead of intent.

Every life has elements of luxury, meaning and aspiration. These are not mutually exclusive, and asking questions to prioritize the kind of life one wants is essential to defining one’s purpose. So, what does purpose look like? First, it’s powerful, a form of inspiration. Some think of it as a calling, others define it as a niche. It’s intricately related to our interests and strengths, which can grow over time into talents. Think about a person with a natural ability for chess. If that person also enjoys the game, they can focus and stay in “the zone” for years, building their skill. The fact that the player likes chess allows him or her to be absorbed by it, which in turn strengthens his or her talent. That type of aptitude can excite our passions and make us feel alive.

Consider, for example, a daughter who demonstrated a passion for literature early in life. She knew her purpose was related to the field, and that she wanted to build a meaningful life devoted to it. With her family’s encouragement, she earned an advanced degree in writing and worked with revered authors. Then, after gaining knowledge and experience, she was able to manifest her greater purpose by starting a small, independent publishing house that funded struggling writers and published underrepresented voices. 4

Because she made choices that aligned with achieving her purpose and reaching her potential, the daughter was equipped to leverage her family’s financial capital to build her own human capital. She didn’t see herself as just an inheritor—someone who passively receives money—but rather as a steward—someone who takes on a responsibility to use wealth in a meaningful way.

A clear sense of purpose provides the motivation to increase one’s knowledge, experience and skills. And this is not just a loosely formed idea: New Paths to Purpose, a multi-million dollar academic research project led by behavioral scientist Richard Thaler, is exploring the links between purpose and many aspects of life ranging from wealth to well-being. Yet, because purpose can be elusive, helping the rising generation find theirs can require structure and guidance. Families can help their next generations drill down to their purpose by pushing them to explore activities that they enjoy and to find out which ones they do well. Start by asking: What are you good at? What gives you strength? 5

II. Manifesting Passion & Purpose
Determining what drives you can be satisfying. But defining passion and purpose isn’t the same as knowing what to do with them.

The next stage in building human capital is knowing how to translate purpose into meaningful, lasting work or service. Bill Burnett, co-author of “Designing Your Life: How to Build a Well-Lived, Joyful Life,” 6 notes that connecting purpose to your work is fundamental to what he refers to as a “coherent life.” Burnett defines this as a life “lived in such a way that you can clearly connect the dots between three things: who you are, what you believe and what you are doing.” Sometimes the connection between a day job and one’s purpose is obvious, but many times it is

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5 Adapted from Tal Ben-Shahar, Choose the Life You Want, The Experiment, 2012.
not. A young artist working as a barista might not find pouring espresso relevant to making art. But experiencing daily struggles and learning firsthand how much persistence is required for a life in the arts can be a necessary test of one's commitment.

Self-reliance, determination and resilience can be prominent highlights of a wealth creator's narrative. But the rising generation often doesn't see this struggle. They typically see the family wealth creator only as a successful, powerful figure. In fact, personal failure may not seem to be an option. This may result in pressure to succeed without experiencing any trials or tribulations, which may lead young adults to abandon a productive path at the first sign of difficulty.

Here are some ideas to get started:

**Reframe Tasks** It's not always obvious how the small tasks connect to our larger sense of purpose. But we feel greater control and engagement by making links between particular tasks and our goals, or by adding new tasks that relate to an unanswered calling.** Ask yourself: What strengths does this task allow me to use?**

**Build Relationships** Research shows that when employees develop relationships based on mutual trust and respect, they tend to have a positive, long-term influence over their work and career. Connections are about quality, not quantity, so focus on strengthening one or two meaningful relationships.

**Change Your Viewpoint** Celebrating "small wins"—incremental improvements in the workplace—can create a deeper level of fulfillment. For instance, think of an administrative assistant who desires to become a social worker to help people change their lives. He was able to find a connection between valuing his coworkers and his greater purpose of connecting with people. By shifting his perspective from what he was doing to how he was contributing, even if it just meant brightening someone's day, made all the difference.

**Consider the Limitations** Job crafting has limits. In some cases, altering one's tasks to better align with interests and passions might run counter to a supervisor's goals. Colleagues might demand that a job be done in a way that leaves little room for flexibility. And, for those inclined to take on too much, adding or reframing tasks can add stress. There's no one way to job craft, so take the strategies that work for you and leave the others.

For more, see the *Job Crafting™ Exercise*, an interactive tool available at [jobcrafting.org](http://jobcrafting.org).

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Young adults—and their families—may want to consider reframing how they relate to their work by “job crafting.” That is, determining how their work helps others and defining what aspects of their job align with their purpose. The process is about understanding how one’s role, however small to start, affects the bigger picture.

Take, for instance, a client who quickly exited an investment banking job when she was younger to pursue a career as a fashion designer. Through job crafting, she says that she might have come to value the analysis she was providing to the more senior bankers—and appreciate the experience and exposure she was gaining—rather than focusing on the long hours and routine tasks. She is determined to share her own experiences with her son and help him job craft so that he is empowered to pursue his passion and purpose in anything that he does.

III. Sustaining Passion & Purpose

For executives, redefining their purpose is the essence of retirement. When someone retires, especially if it’s from the intensity of a high-powered career or running their own business, it can be jolting to have such wide-open days. To help fill that void, Leslie W. Braksick, Ph.D., M.P.H., and Mark Linsz co-founded My Next Season, an organization to help retiring executives. One aspect of their unique strategy is to connect the talented pool of retiring executives with nonprofit leaders who are looking for strong mentors. The scenario allows the executives to build retired lives that are anchored in purpose, while also fueling growth for nonprofit organizations, whose success matters to everyone involved.

Finding and manifesting purpose are just the beginning of a dynamic process that doesn’t end when a job or even a career does. The real challenge is sustaining purpose and passion over a lifetime.

Consider a highly successful entrepreneur who started a chain of grocery stores. His low-cost, high-quality concept for organic products revolutionized the food industry, and he took pride in fulfilling his purpose in making healthy food more accessible to everyone. But eventually he realized his stores weren’t serving lower-income families. He decided to use his expertise to bring healthy lunches to struggling schools and to supply organic produce to “food deserts.”

Sustaining your purpose isn’t always about growing your own business venture. It can also be about helping others plant their first seed.

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HAPPINESS IS THE ULTIMATE CURRENCY

The idea that money creates happiness is strong in our culture. Advertisements align luxury cars with satisfaction and inner peace, and stories of the American dream equate fulfillment with financial success.

Yet the belief that wealth and happiness accumulate in tandem is not only false, but potentially undermining, suggests Tal Ben-Shahar, a former Harvard professor and the author of Happier: Learn the Secrets to Daily Joy and Lasting Fulfillment.

"People think 'Now that I have this money, I should be happy.' Then they're even more frustrated when they're not happy," says Ben-Shahar. "But money doesn't automatically generate happiness. There has to be some conscious action taken for money to play a positive role in one's life."

Ask Questions Ben-Shahar considers happiness our "ultimate currency" because we tend to determine the value of any activity by how much happiness it provides—regardless of its objective value. Growing this "currency" begins by asking questions that clarify which activities make us happy. "First ask, 'What is meaningful to me?' Then 'What gives me pleasure?'" says Ben-Shahar. "And the third question is 'What are my strengths, or what am I good at?'" Happiness comes from finding meaning, pleasure and strength. The big advantage of having wealth is that you have the luxury to ask these questions, and the time to focus in on activities in the sweet spots at the intersection of these areas."

Explore and Play Finding those sweet spots may be easier said than done. A lucky few know exactly what they want from life, but for many, finding what makes their heart sing is a process of discovery requiring trial and error, which is what Ben-Shahar calls a "joyful exploration." In other words, give yourself permission to fail.

Says Ben-Shahar: "One of the things that we often find with scientists who experiment a lot is that they have a curiosity about them, and they bring this to their workplace. They try things out."

But while families of wealth have more space and resources to experiment, they may feel hemmed in by different constraints. The gravity and responsibility sometimes attached to wealth can quash a spirit of playfulness, suggests Ben-Shahar. "There's a sense that if you're born into privilege, then you have to hold on to and justify that gift."

Come From a Place of Joy The rising generation is more likely to contribute positively to the world if their choices come from joy rather than a sense of obligation. To help distinguish these motivations, Ben-Shahar designed a thought exercise.

"Imagine you're anonymous. For the rest of your life, no one will know what you do, or how wealthy you are, or how successful you've become. What would you do? It's a very useful exercise not because it prescribes what we ought to do, but rather because it helps us to highlight what course is truly meaningful—and which are other people's opinion."

Be Yourself There are other immediate steps to cultivating happiness, such as approaching situations with a mind-set of gratitude and keeping a trusted friend or coach in your corner who can help to clarify goals.

Says Ben-Shahar, "We always go to sleep with ourselves and we wake up with ourselves. Ultimately we have to remember who directly experiences the consequences and outcomes of our choices."
those places that lack fresh fruits, vegetables or other healthy foods, which are usually found in impoverished areas. His passion for food and helping people eat healthier hadn’t changed; it had evolved.

That’s why building self-reliance early on is important. When this entrepreneur approached a turning point in his career, he was able to pivot by applying the confidence, experience and leadership skills he’d gained in his previous venture to his new goals, rather than shrinking from a challenge.

And sustaining purpose and passion isn’t necessarily related to a career. Empty nesters often recalibrate their passions when children leave the house and transfer the energy that went into raising a family to new projects or hobbies. Older adults can continue to challenge their capabilities in new ways. Sustaining one’s purpose isn’t always about growing your own business venture. One prominent entrepreneur is using retirement to speak at conferences and work as an advisor to new business owners. Another, who had been an executive at a motorcycle company, now uses his brand recognition to ride for charity and raise money for causes he believes in.

IV. Building Human Capital That Lasts

There once was a boy who loved a tree. Despite their mutual love, the boy began to use the tree—for food, money, even a boat. As the boy continued to take from the tree, the tree died, and eventually became a stump.

This scenario is from a classic children’s story. Some families read the story as an ode to parental love, but some may see a cautionary tale: The parent gives, and the child takes without boundaries or accountability. The boy never thinks about sustaining the tree’s resources to allow future generations to eat its fruits or enjoy its shade. It’s possible to see the tree as an “extreme giver” who doesn’t set parameters and, in that light, it’s a disturbing tale about unsustainable family behaviors.

By giving endlessly with the intention of supporting their children, parents can end up undermining themselves, their children and future generations. When powerful individuals map out their children’s future or buffer them against

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8 “Trader Joe’s Ex-President to Turn Expired Food Into Cheap Meals,” NPR, 2013.
9 For more on turning points, read “Are You Ready for Life's Big Changes?,” Merrill Lynch Advisor, 2015.
11 For more on givers and takers, see Adam Grant, Give and Take, Penguin Books, 2014.
BUILDING IDENTITY CAPITAL

Think of identity capital as a person’s individual currency. It’s the sum of all the investments made in oneself, with education the most fundamental “deposit.”

Meg Jay, the author of The Defining Decade, is a clinical psychologist who specializes in twentysomethings. She explains why a person’s twenties are a critical time to build identity capital and why giving the rising generation too much financially supported freedom can be detrimental: “Make no mistake, the twenties are not a trivial time. They are a developmental sweet spot in that there will never be a better time for that cross-country job, the graduate degree, the start-up you want to try, or that internship around the world working for one of your heroes. Early, even small, investments pay off exponentially over the long run. Identity capital is something you earn yourself and something no one can ever take away from you.”

Take a young man who dropped out of college after a single semester. Uncertain about his goals, he moved back in with his parents. They soon realized that if they continued financial support, their son would never develop new skills or challenge himself. They gave him a one-month deadline, and agreed to continue financial support only if he took an unpaid internship, traveled with a socially conscious purpose, or, in one form or another, built identity capital. After some thought, the young man enrolled in culinary school.

Had his parents continued their support, they would have undermined their son’s growth. By reframing uncertainty as a chance to grow in unexpected ways, they cleared the path to developing his identity capital.

• **Is earning money important?** Need can be psychological. Some individuals need to earn their own money because it builds their self-esteem, while for others it gives a sense of control and security. Still others may find meaning in lifelong volunteer work, and receiving financial support may not have an impact on their sense of self-worth.

• **Do other people’s opinions matter?** For some, pursuing a passion without the blessing of their parents may erode confidence. For others, the prestige of a high-profile position may be worth more than money. An individual’s self-confidence can be informed by asking whose opinions matter to them.

• **How much is too much?** According to a recent survey of high-net-worth individuals, about half of the respondents believe wealth could provide a disincentive for the recipient to achieve full potential if they were to give the next generation too much. Each family has a different definition of “too much.” (For more, read How Much Should I Give to My Family? at pbig.ml.com/howmuch.) This conversation can also lead to the discussion about what a family can actually afford to give

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13 For Merrill Lynch Private Banking and Investment Group’s “Approach to Strategies About Giving” survey, 206 high-net-worth (HNW) individuals, with assets of $5 million or more, completed an online survey in October 2014 about their approach to giving.
Connections between money and its meaning must be built over time.

When wealth is equated only with monetary gain, it presents challenges to building human capital. By emphasizing money over meaning, young adults lose the urge to draw, revise and shape their own life plan.

Human Capital for Generations

The connections between money and its meaning must be built over time through day-to-day actions and choices. It is important that each individual and family be given the opportunity to walk his or her own path to create that meaning.

If a family creates a culture in which a broader definition of “capital” is highly valued, their children can be better poised to use wealth as a means to find purpose and pursue passions, rather than as an end in itself.

14 “The Meaning of Sustaining Wealth” survey was conducted in December 2013 by Phoenix Marketing International, an independent market research firm, on behalf of Merrill Lynch Private Banking and Investment Group.

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