

Happy, Healthy, Wealthy and Wise



“How much should we give our children and when should we give it to them?”

“How much is too much to give our children if we really love them?”

Simple questions like these are asked daily by well-intended parents and grandparents. Our response is also simple: “If in ‘giving’ you are referring to unconditional love, unwavering support, encouragement, kindness, grace, forgiveness, compassion, etc., then we say give them as much as you can as often as you can. If you are referring to money, then we need to talk.” This paper seeks to carry that conversation forward with insights from our experience of guiding families in their desire to be happy, healthy, wealthy and wise.

Happy, Healthy, Wealthy & Wise

While the phrase sounds enticing, what does it mean to be happy, healthy, wealthy and wise? Is it just a mystical pursuit? Actually, no - it is a very worthwhile endeavor. Yet, like most things worth having, achieving it requires a high level of intentional, purposeful and deliberate effort by all involved.

HAPPY

Clients reasonably expect their wealth advisors to assist them in setting long-term goals for the proper use of their financial wealth. Behind each stated goal **is the desire for happiness**. Ask yourself or any parent what is the one thing they most want for their children. By a wide margin, the most common answer is, “I just want my children to be happy.” So what does it mean to be “happy?”

*“We hold these truths to be self-evident, that all men are created equal, that they are endowed by their Creator with certain unalienable Rights, that among these are Life, Liberty and the **pursuit of Happiness**.”*

Although the Declaration of Independence wisely leaves unstated the definition of happiness, it’s clear that Jefferson had something more in mind than mere sensual pleasure or material wealth. Jefferson was repeating what philosophers have said over the millennia. For Aristotle, the pursuit of happiness was a process of learning to live a virtuous life through the practice and display of such qualities as love, truth, beauty, goodness, justice, gratitude, humility, prudence, courage and compassion. Happiness, in this context, is not dependent on wealth, property or any other blessing of good fortune, but is instead the result of living a virtuous life.

Dr. Martin Seligman, one of the leading researchers in positive psychology and author of *Authentic Happiness*, describes happiness (Aristotle’s “virtuous life”) as having three parts: pleasure, engagement and meaning. Pleasure is the “feel good” part of happiness. Engagement refers to living a “good life” of work, family, friends and hobbies. Meaning refers to using our strengths to contribute to a larger purpose. Seligman says that all three are important, but that of the three, engagement and meaning make the most difference to living a happy life.

The Gift of Learning

Continuous learning is one of the keys to happiness. It brings pleasure, helps the individual engage and provides tools to live a meaningful life. One book we often recommend is Jim Stovall’s *The Ultimate Gift*.

“A MAN MAY AS WELL EXPECT TO GROW STRONGER BY ALWAYS EATING AS WISER BY ALWAYS READING.”

JEREMY COLLIER

"REMEMBER, GEORGE: NO MAN IS A FAILURE WHO HAS FRIENDS."
CLARENCE THE ANGEL TO GEORGE BAILEY IN IT'S A WONDERFUL LIFE.

WE CAN BE HAPPIER IF WE REMEMBER TO PURSUE HAPPINESS BY CONTROLLING WHAT WE CAN, INFLUENCING WHAT WE CAN'T CONTROL AND ACCEPTING WHAT WE CAN'T INFLUENCE.
JACK FARIS, RETIRED PRESIDENT OF NATIONAL FEDERATION OF INDEPENDENT BUSINESSES (NFIB).

ABOUT THE FRONT COVER:

Argent has compensated Tatum, Harper, and Amelia for their excellent modeling on the cover portrait. Argent's advisory team has suggested that each family set up a Roth IRA for their future college education. These funds have no current tax, can grow tax free for their benefit and can be used in the future for retirement or other needs. Argent Trust CEO Howard Safer was among the first advisors to use this technique for his oldest granddaughter when the Roth rules changed in 1998. Today his granddaughter is in her second year at the University of Virginia. What a great "gift of meaning".



Howard Safer's granddaughter, Brooke.

In *The Ultimate Gift*, Jim shares the story of a now-deceased billionaire who tries to right many of his past "wrongs" by leaving his unappreciative and spoiled great nephew eleven "gifts" which led to the "ultimate gift." These gifts included the gifts of:

- | | | | |
|----------|-----------|----------|--------------------------|
| Work | Money | Friends | Learning |
| Problems | Family | Laughter | Dreams |
| Giving | Gratitude | A day | The Ultimate Gift - Love |

Written in parable form, *The Ultimate Gift* can be an excellent tool for families to use to introduce a discussion about their visions and values.

The Gift of Engagement

Tom and Peter grew up in a middle-class neighborhood. They attended public schools, wore "non-designer" clothes and had plenty of chores as they were growing up. Tom and Peter knew their parents had been financially successful during their lifetimes, but they had no idea that their parents' success, when combined with a frugal lifestyle and solid investment program, would yield an eight-figure estate upon their death.

With the help of a strong and collaborative advisory team, Tom and Peter immediately began learning about their new roles as immigrants in the land of the wealthy. With patience and diligence, they became great students. When it came time for distributions from the family trust, one of the first checks issued was for the purchase of new equipment in one the grandchildren's landscaping business. This investment would allow the grandchild to work more efficiently, take on more clients and produce better results. In this case, the financial gift helped to create a more successful business, allowing for the possibility of a more successful career and a more meaningful and happy life. Tom and Peter had been taught the value of hard work and now they are passing it on to their children. Families who are intentional learners, who value work as a calling, and who view their advisors as assets of the family are much more likely to succeed over multiple generations.

The Gift of Meaning

George Washington took the transfer of personal property very seriously. He understood how a gift could be more than just a transfer. In sixteen pages, all hand-written on fine stationery, George Washington poured out his heart and left a legacy in his last will and testament. The following is an excerpt:

To each of my nephews, William Augustine Washington, George Lewis, George Steptoe Washington, Bushrod Washington, and Samuel Washington, I give one of the swords or cutteaux of which I may die possessed, and they are to choose in the order they are named. These swords are accompanied with an injunction not to unsheath them for the purpose of shedding blood except it be for self-defense, or in defense of their Country and its rights, and in the latter case to keep them unsheathed, and prefer falling with them in their hands to the relinquishment thereof.

Do you think each nephew cherished their sword? Do you think the words of their uncle carried great weight and impact on their lives? In the words of John A. Warnick, "I imagine that each of those swords was prominently displayed by the nephew, and when guests would gaze upon that sword they would be told the story of that sword and the charge the nephew had received from Washington to never relinquish it but instead to fight to the death, if necessary, in defense of the Republic and the constitutional rights Washington had been instrumental in establishing."

“WEALTH, FOR THE SUCCESSFUL PERSON, HAS A PURPOSE THAT GOES BEYOND MERE ACCUMULATION.”
JOHN TEMPLETON

People have more influence on others than they realize especially when teaching simple values to our next generation. You can use simple examples to teach the next generation to Control, Influence and Accept.

Do not give up the control of your emotions to someone else. Be a positive influence on others. Accept that not everyone will like you, but continue to be positive.

“BECAUSE MONEY PERMITS A CONSTANT STREAM OF LUXURIES AND INDULGENCES, IT CAN TAKE AWAY THEIR SAVOR, AND BY PERMITTING INSTANT GRATIFICATION, MONEY SHORTCUTS THE HAPPINESS OF ANTICIPATION. SCRIMPING, SAVING, IMAGINING, PLANNING, HOPING – THESE STAGES ENLARGE THE HAPPINESS WE FEEL.”

GRETCHEN RUBIN, THE HAPPINESS PROJECT: OR WHY I SPENT A YEAR TRYING TO SING IN THE MORNING, CLEAN MY CLOSETS, FIGHT RIGHT, READ ARISTOTLE, AND GENERALLY HAVE MORE FUN.

Capturing our client’s voice and vision is extremely important in the estate planning process. Succinctly crafted documents can help set the direction for your family’s legacy.

HEALTHY

The term “healthy” is most often associated with physical well-being. But an individual’s or family’s true measure of health must go beyond the physical state. Care and development of health also includes mental and emotional considerations. Too many stories are told of wealthy individuals and families who suffer from detrimental behaviors, risky actions and addictions.

Often-cited causes for these behaviors include a feeling of neglect or abandonment, a general lack of purpose in life, and “thrill seeking”. While there are numerous medical conditions that mirror these feelings (and for which professional medical advice should be sought), research shows that having a sense of purpose in life can not only improve our short-term outlook, but can also lead to longer life expectancy.

A fourteen-year study by Dr. Patrick Hill of Carleton University and Dr. Nicholas Turiano of the University of Rochester Medical Center found that individuals with a greater purpose in life consistently experienced lower mortality risk across their lifespan, regardless of their initial age in the study. Regardless of age or generation, having purpose and meaning in life is essential to well-being.

Families who consistently promote their values and who expect their children and grandchildren to participate and actively live by those values often see healthier family dynamics. Activities such as family meetings, the creation of a family mission statement, and the establishment of a family philanthropic strategy all tend to contribute to and communicate a sense of “purpose” for those involved.

WEALTHY

Wealth is defined as “an abundance of valuable possessions, property or other resources.” For many, wealth is only a monetary measure of possessions or property that can be shown on a balance sheet. However, a focus on only the tangible aspects of wealth is often a precursor to a diminished state of both happiness and health. Regardless of the level of one’s monetary wealth, there will be issues and challenges that must be faced - structuring of assets, tax liability, protection issues, etc. These can lead to frustrations, anxieties and other negative emotions. When individuals and families can move beyond looking at wealth as a pure monetary measure and are able to consider other resources within the equation, their perceived wealth tends to grow.

There may be no other better resources, nor truer measure of wealth, than that of quality friendships. Genuine friendships carry with them an authenticity that is palpable. Friendships provide not only a support structure for navigating through life’s journey, but they also help individuals and families to define priorities. There are numerous examples in which friendships have morphed into banded actions that have impacted significant social change. While the relationship between Bill Gates and Warren Buffet may be one of the more notable examples, other friendships have been the catalyst for change at numerous universities, hospitals, and in communities around the world.

The powers of friendships are found in the accountability they can provide and in their ability to help one explore new ideas. Financial wealth is an often elusive goal – someone will always have more money or possessions than you. Including friendships in one’s definition of wealth leads to a more holistic, healthy, and ultimately more accurate measure of true wealth.

THE GIFT OF DEFERRED GRATIFICATION

The opening paragraph of this paper highlighted two serious questions. These questions most often arise when an estate planning attorney drafting a trust asks the parents (or grandparents) when they want their children (grandchildren) to start receiving distributions and how much they should receive. The easy and most common answer is to divide the distributions into thirds and begin distributions at some indiscriminate age, say 35, with the remaining distributions at 40 and 45. The concept of staggering the distributions is usually quite appropriate. Delaying receipt of the total funds over a period of time provides a unique benefit of deferred gratification. However, how are the ages of distribution decided? Why not 33 or 41 or some number not ending in "0" or "5." The point is that these numbers are arbitrary and not based upon the beneficiaries' actual circumstances. Perhaps the better (and more difficult) answer is to make distributions to beneficiaries when they are ready to receive them. Maturity can never be measured only in physical age terms. Families who are intentional in developing happy, healthy, wealthy and wise rising generations usually find such efforts produce future generations that are well prepared to be good stewards and excellent contributors to society. For additional insights on structuring financial distributions for beneficiaries, please contact your wealth advisor.

WISE

For Socrates, happiness is always the end (goal) and does not depend on external things, but rather on how those things are used. And how we use those external things is a function of wisdom. In the case of wealth, a wise person will use money in the right way in order to live a better, happier and more virtuous life; an unwise person will be wasteful, use money poorly, and likely lead a life of misery and unhappiness.

Money by itself will not make one happy. Money is a conditional good - that is, money is only good when it is in the hands of a wise person.

Money can be a curse for the children of wealthy parents. In their quest to see that their children achieve happiness, parents with financial resources will inevitably encounter the dilemma of how to support their children without making them victims of entitlement. There is no easy solution to this dilemma: parents must begin early in teaching their children about the wise use of money. Children learn best by example, and not simply by words their parents say. The lesson is not overly complicated; it can be taught through board games or a trip to the bank to deposit money into an account. Sometimes the best way for children and grandchildren to begin to learn financial wisdom is to have someone outside the family teach them. An independent financial advisor or family mentor may be extremely helpful in exposing teens to financial education. Above all, imparting financial wisdom on the next generation includes patience, courage and the other virtues previously cited.

Conclusion

Life is a journey in pursuit of happiness. Money by itself will never lead to happiness. However, when financial resources are used as a means to an end; to lead to a life of engagement and meaning, the journey becomes more focused and enjoyable. The quality of one's life cannot be measured in dollars, but it most certainly can be viewed through the purpose by which it is lived, the friendships one has created and the wisdom gained along the journey.

Final Question/Reflection

How can you help other members of your family in their personal quest for happiness? In helping others, you just might find your own.



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Mark Hartnett currently serves as President of Argent Family Wealth Services, a division of Argent Financial. His practice focuses on providing leadership to financially successful families that desire to grow their family balance sheet through multi-generational planning in order to overcome the proverb “shirtsleeves to shirtsleeves in three generations.”

Mark is a native of Memphis, Tennessee and graduate of the University of Memphis, where he received his Bachelor’s Degree in Finance, graduating magna cum laude with a minor in Legal Thought and Liberal Arts. He furthered his studies at the University of Mississippi, earning his Juris Doctorate Degree of Law and his Masters Degree in Business Administration. Upon graduation in 1995, he moved to Jackson, Mississippi where he practiced corporate law at Southern Farm Bureau Casualty Insurance Company.

Mark’s expertise in fiduciary law and financial planning allowed him the opportunity to lead several bank trust departments in the southeast from 1999 to 2008. In 2008, Mark founded Family Wealth Practices, LLC, a private, multi-family office with the goal of helping families overcome the “shirtsleeves to shirtsleeves in three generations” proverb. Mark has also participated in numerous disputes regarding trustee issues as both an institutional defendant and as an expert witness.

Mark has distinguished himself among his fellow colleagues by becoming a Certified Financial Planner™ professional (CFP), an Accredited Estate Planner® (AEP), a Chartered Property Casualty Underwriter (CPCU), a graduate from the Southern Trust School, and by serving as Chairman of the Estates and Trust section of the Mississippi Bar Association (2008-09). He is currently licensed to practice law in the State of Mississippi, maintains a Series 65 license and is a member of the Memphis Estate Planning Council.

Mark and his wife Jo-Shannon have been married twenty-three years and live in Oxford, Mississippi. They have three children, Rachael-Catherine, Sam and Eli and attend The Orchard Church. In his spare time, Mark enjoys exercising, hunting, reading and spending time with his family. He deeply believes in developing and maintaining strong family values, integrity and communication within his family and those he serves.



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Howard joined Argent Trust of Tennessee in April 2012 as Chief Executive Officer. He serves families providing trust, investment, estate and family office services.

Howard has more than three decades of experience. Prior to joining Argent, he has served as President of a 900 million trust company, the Managing Partner for a 90 person CPA and consulting firm, a Chief Financial Officer for a substantial private company and a Controller for a NYSE public company.

Research Magazine honored Howard as one of five advisors nationwide inducted in the 2012 Hall of Fame. The October 2007 issue of Worth magazine named Howard as one of “The Top 100 Wealth Advisors”. JK Lasser’s New Rules for Estate and Tax Planning recognized Howard as a “Top Professional Advisor” in 2002. Howard has been included in Worth’s “Best Financial Advisors” listing of “talented and trustworthy” advisors since 1996. In 1998, he was presented “The Outstanding CPA in Business and Industry Award” in recognition of his business achievements by the Tennessee Society of CPAs. The Society also presented Howard a leadership award for “Dedication to Excellence” in 2000.

In December 1999, Ticker magazine named Howard as one of the top five Ace Advisors in the nation. The magazine noted his work for his clients as being among the “Most Innovative Investment Professionals”. In March 1998, Howard was featured in the Dow Jones Investment Advisor story, “Top Billing” for his leadership in managing wealthy clients’ estates.

In 1992, he was presented the “Outstanding Service Award” from the American Institute of CPA’s (AICPA) Personal Financial Planning (PFP) Division. He is one of six CPA’s who served on the original AICPA PFP Committee, which achieved Senior Technical Committee status. He is a past chairman of the Tennessee Society of CPAs PFP Committee, and past president of the LINC-Society of CPA Financial Planners.

He lives in Nashville with his wife Arlene and is especially proud of their three daughters, Lori, Traci and Mindy, and seven grandchildren.

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