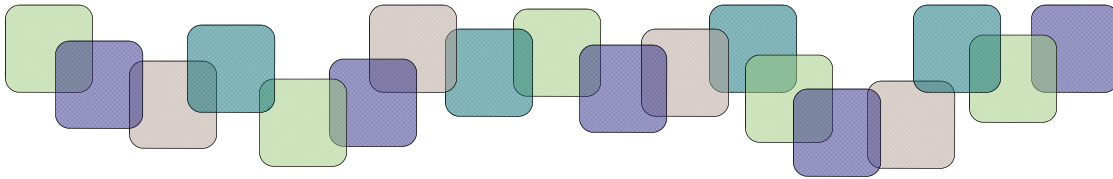


The PERIODIC PONDERANCE

VOLUME 10, NUMBER 4 :: 1525 SPRUCE STREET, SUITE 300, BOULDER, COLORADO 80302 :: 4TH QUARTER 2009



PRESENTED BY

The CW Health Conservancy, Inc.

Gratitude

Thank You! Thank You! Thank You! Thank You! Thank You! Thank You!

Don't you hate it when someone has just (fill in the blank):

learned to meditate
taken a self-improvement seminar
gotten a dog
found God
run a marathon
etc.

and they now know the key to happiness, the path to enlightenment, the tonic of vitality, and the fountain of youth? It feels as though they are proselytizing and, darn it, that's not what you have any interest in at this time. If that is the way you are feeling now – STOP! Read no further. Go to another article.

Thanks! How Practicing Gratitude Can Make You Happier, by Robert A Emmons, Ph.D. is a book that could have the same effect on you as doing all the above. We've always been told to be grateful, to

have a positive attitude, to turn lemons into lemonade and blah, blah, blah, but we were also told to wait an hour after eating before going swimming and what good did that do? Emmons, a psychology professor at University of California at Davis finally applied science to the old wives' tale of expressing gratitude to prove it so.

Dr. Emmons has scientifically shown that "Adults who keep gratitude journals on a regular basis exercise more regularly, report fewer illness symptoms, feel better about their lives as a whole, and are more optimistic about the future.....In daily studies of emotional experience, when people report feeling grateful, thankful, and appreciative, they also feel more loving, forgiving, joyful, and enthusiastic.....We have also found that when people experience gratitude, they feel more loving, more forgiving, and closer to God." He goes on to say that expressing gratitude promotes happiness and "happiness can add as much as nine years to one's life expectancy.....The most cheerful students earned \$25,000 more per year than their more dour classmates." Now you're talking my language!

The book describes the statistically valid data Emmons collected, the actual neuroscience of brain function distinctions, the effects of belief in a higher spirit, and the practical "how-to" that it takes to develop a habit of gratitude.

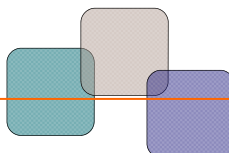
Personally, this *Thanks!* could turn out to be a life-changing read for me, and it is only fair to acknowledge John A. Warnick (who will hopefully be one of our "Periodic Personalities" in a future *Periodic Ponderance*) for recommending the book. Time will tell if I will be able to make a habit out of the practice. In truth, I felt a difference after reading the first chapter.

Bringing back the financial theme, the book's first quote is from Ben Stein, actor, comedian, and economist:

"I cannot tell you anything that, in a few minutes, will tell you how to be rich. But I can tell you how to feel rich, which is far better, let me tell you firsthand, than being rich. Be grateful . . . It's the only totally reliable get-rich-quick scheme."

As a natural competitor, it is my nature to take advantage of this key knowledge and not let you in on the inner-circle secret lest you "beat me" at practicing gratitude. So you will understand that it is a total act of generosity on my part for me to encourage you to read *Thanks!*

By Myra Salzer





Boring, but Blessedly Short

(See . . . already here's something to be grateful for)



Do You Need An Old Tax Return quickly?

If so, call your CPA. [The] IRS has a new service that lets accountants receive electronic copies of their clients' returns within minutes. You can still receive paper copies of old returns by calling [the] IRS at (800) 829-1040.

Reprinted with permission from the twice-monthly *Collier, Sarner & Assocs. Doctor's Newsletter*, which teaches doctors (and others) how to save on their taxes, practice smarter, avoid blunders and retire wealthy. It is in its fourth decade of publication and is available for \$195 per year by calling 888-888-4840.



Transforming Awkward Money Situations



At The Wealth Conservancy, our motto is "Honoring your worth / Taking care of your wealth." Our reward is when our clients live that motto for themselves, which is not always as easy as it sounds.

Take, for example, awkward money situations. The Wealth Conservancy's (TWC) clients generally have more wealth than those around them, which inevitably creates fertile ground for uncomfortable interactions among friends and family who do not have as much money.

A seemingly simple and common money situation you might find yourself in is going out to dinner with friends who have limited financial resources. Who pays? The way each person handles this speaks volumes about how they view their own wealth. It's not right to be expected to pay every time when/or just because you have more money than your friends. Yet when your friend offers to pay, it does not feel right either.

What about a situation where more money is involved, such as a friend or relative asking for a loan. Respondents to a survey in a book called *Isn't it Their Turn to Pick Up the Check?* reported that they would rather have a bad case of the flu than a relation ask them for a large loan. Needless to say, there can be a lot of anxiety created for a wealth holder with others of lesser wealth.

What I'd like to suggest is to turn the "fertile ground for uncomfortable interactions" involving money into growth opportunities. The friend who you think always expects you to pay for dinner: ask him about it and see where the conversation goes. Perhaps he would like to pay, but his budget currently affords McDonalds and he is embarrassed to suggest going there. Maybe he reciprocates in other important ways so you decide it is not important to eat at McDonalds. Or maybe you find out that your friend feels entitled. Or, or, or... have the conversation to understand each other better, which inevitably cultivates closer relationships (or not, in the case of the entitled friend).

At this point, if you are rolling your eyes thinking this will never work, then I highly recommend the above referenced and amusing book called *Isn't it Their Turn to Pick Up the Check? Dealing with All of the Trickiest Money Problems Between Family and Friends - from Serial Borrowers to Serious Cheapskates*. In addition, clients of TWC may call us to discuss your specific situation.

And remember, it's liberating to know that there are no right or wrong answers, as long as you are being true to yourself and "Honoring your worth / Taking care of your wealth."

By Melissa Hoyer



Remedial Poly Sci

You own two cows to provide milk for your family.

Under socialism, the government takes your cows. You and your neighbor milk the cows and share the milk.

Under communism, the government takes your cows. You and your neighbor milk the cows and share the milk with everyone in your neighborhood, whether they do any work or not.

Under capitalism, you sell one cow, buy a bull and start a dairy





PERIODIC PROFILES: JAMES GRUBMAN, Ph.D.

with an introduction by Myra Salzer



Wealth coaching has its boundaries. We at TWC don't set broken bones (that's referred out to the orthopedic surgeon), don't prepare tax returns (CPA), and don't treat psychoses (psychologists). When a client or a client's family member has a money-related or money-amplified mental or emotional problem (such as an addiction to spending or a paranoia about being taken advantage of), Jim Grubman, Ph.D., is at the top of a short list of psychologists I call on to help. And what a help he has been!



Jim has a varied and unusual background. His work as a wealth counselor actually grew out of his first career doing remarkably similar work in the medical world. He received his undergraduate degree from the University of Rochester, a Master of Science Degree in Pharmacology from the University of Michigan and a Ph.D. in Clinical Psychology from the University of Vermont. "Wait a minute," you might say, "a master's in pharmacology?" Well, yes. "Interestingly," Jim says, "I have much more medical training than most psychologists or wealth psychologists. I sat in on classes with medical students... I've held cadaver brains in my hand." Later, he did biofeedback with patients and focused on the mind/body connection, eventually getting his Ph.D. in clinical psychology and neuropsychology.

Combining his education in the medical and psychological fields, Jim worked for nearly fifteen years with patients who were struggling with the emotional aspects of their health problems. He also found himself coaching front-line physicians and specialists about physician-patient communication, patients' family dynamics, and the stresses associated with illnesses. "In the 80s and 90s I was involved with the movement toward 'primary care integration' where therapists work alongside physicians, right down the corridor in medical practices." He looks back at how similar that work was with the work he now does with wealth managers.

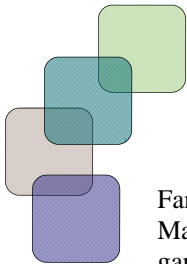
When Jim started working more with affluent clients in the late 90's, he carried over his mindset about integrating psychology within a technically-oriented helping profession – this time in finance. Jim puts all this diverse education to good use in his work with families of wealth and with advisors of families of wealth. He likes to find ways for clients get help not only from him but in the best possible ways from their advisors, like The Wealth Conservancy.

For example, he has worked with parents and their Twenty-Something children in what Jim calls "those heart-stopping moments of 'Gee, we have to break it to you that you have a trust that's about to start generating income to you as a beneficiary,' and the young person is very unprepared for the whole situation; they are kind of blown away." In circumstances like this, with everyone's permission Jim likes to draw in the family's financial advisors, who often feel concerned yet helpless about how they can assist this process. "So when I say I'm working with Jane or John, and we've made this progress and they're ready now to hear some things about their trust, or that we're going to be moving along a certain educational path with them now ..., then [the advisor] can be helpful in setting up some accounts a certain way or explaining some of their assets. The advisor feels tremendously relieved to have some guidance about the role that they can play." Jim notes that "advisors are often really very interested in being helpful but they just don't know how, and they don't want to mess it up. They need a sort of guide to say, 'This is what the client needs, can you help us do that?' The client gets the benefit because it's not just working on adjustment issues; there's a real practical outcome that moves the whole thing forward. And the parents feel much happier because they see what used to be stuck is now unstuck." He also works with young inheritors who are trying to launch themselves in life but are frustrated by ADHD or learning disorders that impact how they learn, what career they would enjoy, and even how they understand their wealth.

The son of Holocaust survivors, Jim believes his life has been profoundly affected by his parents' experiences. "Both my parents were Polish Jews who went through the Holocaust pretty badly in concentration camps, and I lost most of my [extended] family." A very beloved aunt was also in Europe during the war and, working with what is called a "Righteous Gentile," helped save many Jews, similar to *Schindler's List*. "It helped shape my inclination to become a therapist. A lot of children of Holocaust survivors have gone into social services and are more attuned to emotional aspects of things in life and some of the family dynamics related to that."

An unexpected insight grew out of Jim's Holocaust background in a way that has impacted his work with wealthy families, contributing to an understanding in the field itself. Jim explained in detail that, while collaborating with Dr. Dennis Jaffe, a San Francisco psychologist and another consultant in the family office industry, "it struck us that the family dynamics in wealthy families have many similarities to the family dynamics where there has been a first generation who made a major transition just like immigration, except that the wealth-creating generation grew up not in another country,

(See "Grubman" continued on page 4)



Who can you Trust? ❄️

A recent edition of *Barron's* newspaper included a section called “Penta,” a special insert touting “Trusted Advice for Families with Assets of \$5 Million or More.” A little, round sidebar read “Exclusive Ranking . . . America’s Top Wealth Management Firms.” Looking inside at the list of these “top” firms, I saw the top five listed were: Bank of America; Morgan Stanley Smith Barney; Wells Fargo; JPMorgan; and the ever “top” Goldman Sachs. Not surprised, it got me thinking about the definition of “top” wealth managers.

To me, the list should perhaps have been titled “America’s Biggest Wealth Managers.” In my mind, “top” means the best of something. Not the biggest. This is where I think The Wealth Conservancy fits in—in the “best” category. You can make up your own mind. Here are some things to consider when deciding who’s at the “top,” according to the article:

- * Returns that look appealing (especially when compared with the losses on major market indexes);
- * An investment professional with a legal obligation to put the client’s interest ahead of their own (a fiduciary);
- * Assets held at an independent custodian (providing a system of checks and balances);
- * Communications—how easy/difficult it is to talk to your investment manager; how often you hear from him/her;
- * Getting your questions answered; how straight-forward and transparent are the answers and supporting documentation/reports?
- * Your financial advisor knows you, your history, your goals and your dreams—not to mention your kids’ names and that it’s important to you to travel internationally/cut a record/be known as a philanthropist/be a passenger on a flight to outer space/start a coffee shop . . .

You can take it from here, and if The Wealth Conservancy rises to the “top” in your mind, then please don’t keep us a secret—we’d love to accept your referrals.

By Barbara Denny



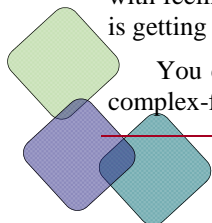
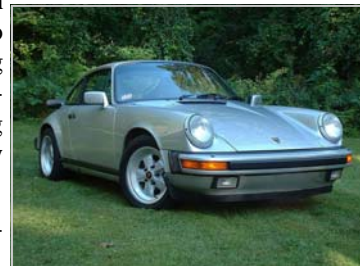
(“Grubman” continued from page 3)

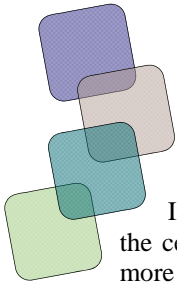
but in another economic class—working class, or middle class - which helped form personality and identity in that culture... When you become very wealthy, it’s not unlike you’ve ‘migrated to the Land of Wealth.’ You then live in a land that you were not born and raised in: you are an immigrant to it.” He also notes that people who marry into wealthy families from middle-class life are “overnight immigrants” who make a jump to wealth instead of a journey to wealth.

Generation 2 is a kind of bridge generation, but heirs in “the third generation are pretty much ‘natives’; they’re born and raised in the land of wealth. It is the land of their birth. Much of what we have often thought of as the cross-generational conflicts or stresses—how hard it is to parent and raise responsible kids with wealth—is not unlike what it’s like when you’re an immigrant trying to raise children and grandchildren in a culture that you did not grow up in.” Jim concurs with G1 parents and grandparents who “feel the natives need guidance about the old country values and the solid ethics that helped create” the family’s wealth. But he also advocates for the heirs who struggle to explain that they need the Old Country lessons adapted for their current life. He tries to help “native” inheritors convey their message to immigrant G1s and G2s: “You have great wisdom, but you also have to listen to us and help us see how this is going to... apply to our lives now; it’s not just [about] how you grew up.” The generations have to join together to adapt the values of the Old Country for the realities of the New World of wealth. This metaphor that Jim has written and spoken about “has really connected for a lot of people. And the reason it’s dear to my heart is because I, myself, was raised by parents who were not of this culture—Polish Jews who came to America and were raising an American kid in Ohio.”

Jim says he has been “blessed with a great wife for 31 years” and has three grown children in their 20s “who are wonderful people.” Turning the conversation to hobbies and interests outside of work, Jim enthuses, “My passion is cars—oh, I do love cars! I can talk long periods of time about cars with anybody who’s interested. I have a fast BMW myself that I love to drive to Boston in, and I have a 1989 Porsche 911 that is my summer car that I enjoy greatly.” He admits he relies on “a *very* good radar detector that has saved me many times.” He also works on his own cars to a certain extent: “I have a very nice garage and my kids know if you ever want to find Dad, you can probably walk out and look in the garage and he’s out there tinkering with something and having a great time. There are many people who know me as a psychologist who are very surprised at how mechanical I am. They think of me as working with feelings and concepts and medical things, so they’re always surprised that my hobby is getting dirty in the garage underneath the Porsche.”

You can find out more about Jim-the-psychologist-consultant-trainer-speaker-in-the-complex-field-of-wealth-counseling-and-high-speed-driver at www.jamesgrubman.com.





“O Bury Me Not on the Lone Prairie”

—Old Cowboy Ballad



In light of some recent, and not so recent, deaths in the celebrity community, I have been thinking more and more about an often overlooked or neglected consideration in one’s estate plan: instructions regarding last wishes, also known as burial instructions or Instructions on Disposition of Last Remains.

Michael Jackson died on June 25th but wasn’t laid to rest until September 3rd. James Brown died on Christmas Day 2006 and, due to legal challenges and squabbling among “family” members, his body was kept in a climate-controlled room in his mansion for several weeks before it was placed in a crypt at his daughter’s home in March 2007. At the time, it was reported that that location still might not be his final resting place, as the trustees of his estate, along with his partner Tomi Rae Hynie were still trying to place his body at a “prominent memorial garden” in Atlanta. Hynie and the trustees had been planning a Graceland-style museum and mausoleum for him.

In addition, recently a member of my extended family passed away unexpectedly. Her death brought to light, in a new way, the roles that various family members play in planning final arrangements for their loved ones. Her husband of five years made all the arrangements and was gracious enough to include her family in the planning, but, for the first time, I could see how her parents and siblings could have been left out and how the slight might have impacted them. At the same time, including too many people in the process, when decisions need to be made quickly, could have hampered the process.

Unfortunately, it appears that neither Michael Jackson nor James Brown left burial instructions. It also seems they did not appoint anyone to make decisions upon their death, leaving the door open for quarreling among family members, many of whom may have had their own agendas or may have had misperceptions regarding the decedent’s wishes.

Where should last wishes be included in the estate plan?

Many people assume that a will is the appropriate place to include burial instructions. Unfortunately, the will may not be read in an expeditious manner and, if there is any reason to think that the will may not be the most recent version, or if the original cannot be found, it may not be accepted until it is too late.

Other people assume that the Medical Power of Attorney (MPOA) extends to last wishes and that the person appointed in their MPOA will be able to make decisions regarding disposition and services. In fact, Medical Powers of Attorney typically expire upon death and do not cover burial instructions unless specific provisions to do

so have been included. Also, some states allow custom language including burial instructions in the MPOA and others do not.

What if someone does not leave written instructions?

State law varies on this topic but most have provisions regarding the “pecking order” in terms of who gets to make decisions upon the death of a loved one. For example, in California, if the decedent did not leave written instructions (will, POA or other separate document), the order for determining who is allowed to make decisions is:

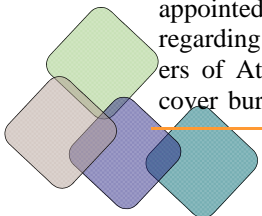
1. Agent under Power of Attorney for healthcare
2. The spouse
3. Adult children
4. Parents
5. Siblings

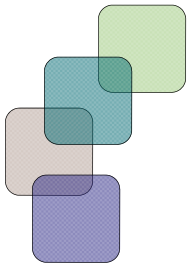
In Colorado, absent written instructions, the Personal Representative is first, then the spouse, etc. Colorado recently passed an act, The Designated Beneficiaries Act, that gives unmarried couples the option to sign a document at their County Recorder’s Office giving various powers to their partners. Among these powers is the right to control disposition of last remains. What to do?

At TWC, we sometimes see instructions regarding last wishes included in estate plans, but even these rarely include details. Review your estate documents to see if they address disposition of last remains. If not, consider adding them to your estate plan, especially if you are in a second marriage or are not legally married to your partner. When creating your instructions, decide whom you would like to appoint to carry out your instructions, your preferences regarding the disposition of your remains, the type of service you might prefer (religious, outdoor, music) and any other wishes you might want to include—I saw an obituary in the paper recently where attendees at the service were specifically asked to not wear black!

Once your document is complete, consider signing more than one “original” and give one to each interested party. Do not place the only original in a safe deposit box where it might not be found in time (or your will for that matter). Consider sharing your wishes with family members and other loved ones so that there are no surprises upon your death. That way, your wishes have a greater likelihood of being carried out. Ratifying and reaffirming your documents at least every three years, or sooner if your circumstances change (death in the family, change in

(See “Last Wishes” continued on page 6)





(“Last Wishes” continued from page 5)
address, etc.). You may be able to simply re-sign and re-date the original documents, or you may want to have new documents drafted. Use a reputable estate attorney to help draft the documents to ensure that your wishes will be carried out as you would like.

And, as always, please feel free to call your TWC

planner with any questions or if you would like assistance with this issue.

The Wealth Conservancy, Inc. (TWC) does not provide legal, accounting or tax advice. You should consult with your independent professional advisors about such matters.

By Raquel Hinman



Got Grit?



Psychologists are now challenging some commonly held beliefs about the factors that determine a person’s ability to achieve their goals in life. Until very recently, goal accomplishment was largely thought to be a product of inborn traits such as intelligence. Now, research done by Angela Duckworth at the University of Pennsylvania and a number of other researchers points to another factor called grit as being an equal, if not better predictor of personal success.

Grit can be thought of as perseverance and passion for one’s long-term goals. Gritty individuals are often able to leverage their above-average stamina, ambition, and determination to outperform brighter peers. This is evidenced by the fact that grit has been associated with both higher overall GPAs (grade point averages) and lower SAT (Scholastic Aptitude Test) scores.

Another component of grit is an abnormally high ability to focus. This focus tends to be simultaneously trained on the big picture and specific goals that lie in the distant future. Once set, the goals serve as a sort of framework for time management decisions the gritty individual makes on a routine basis. If a certain activity is judged to have a high probability of furthering one or more long-term goals, then it’s more likely to be undertaken. If not, the activity is simply relegated to a mental

folder that could be called “If I Have Time Later...”

The famous scientist Isaac Newton is one individual who possessed a great deal of grit. Newton’s intelligence undoubtedly played a part in his discovery of gravity. However, it was his persistent and sustained use of that intelligence over a 20+ year period, rather than some flash of insight or genius, that enabled him to finally publish the complete theory in 1687.

While it’s not exactly clear how grit is cultivated in individuals like Newton, there is some evidence to suggest that children who are routinely praised for their mental prowess are less likely to be able to surmount the numerous obstacles they face as adults. Whatever one’s own personal level of grit or intelligence happens to be, there’s no doubt that sheer effort alone can increase the probability of success in most endeavors. As Thomas Edison once remarked, “genius is 1% inspiration and 99% perspiration.”

If you’d like to learn more about grit or if you’d like to take a short survey to see how much grit you’ve got, please visit Angela Duckworth’s website at <http://www.sas.upenn.edu/~duckwort/>.

By Brian Littlejohn

TWC Hours and Holiday Closures

Office hours: 8:00 a.m.—4:30 p.m.
Closed November 26 & 27 for Thanksgiving.
Closed December 25 for Christmas.
Closed January 1 for New Year’s Day.



“I prefer winter and fall, when you feel the bone structure of the landscape - the loneliness of it, the dead feeling of winter. Something waits beneath it, the whole story doesn't show.”

—Andrew Wyeth



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