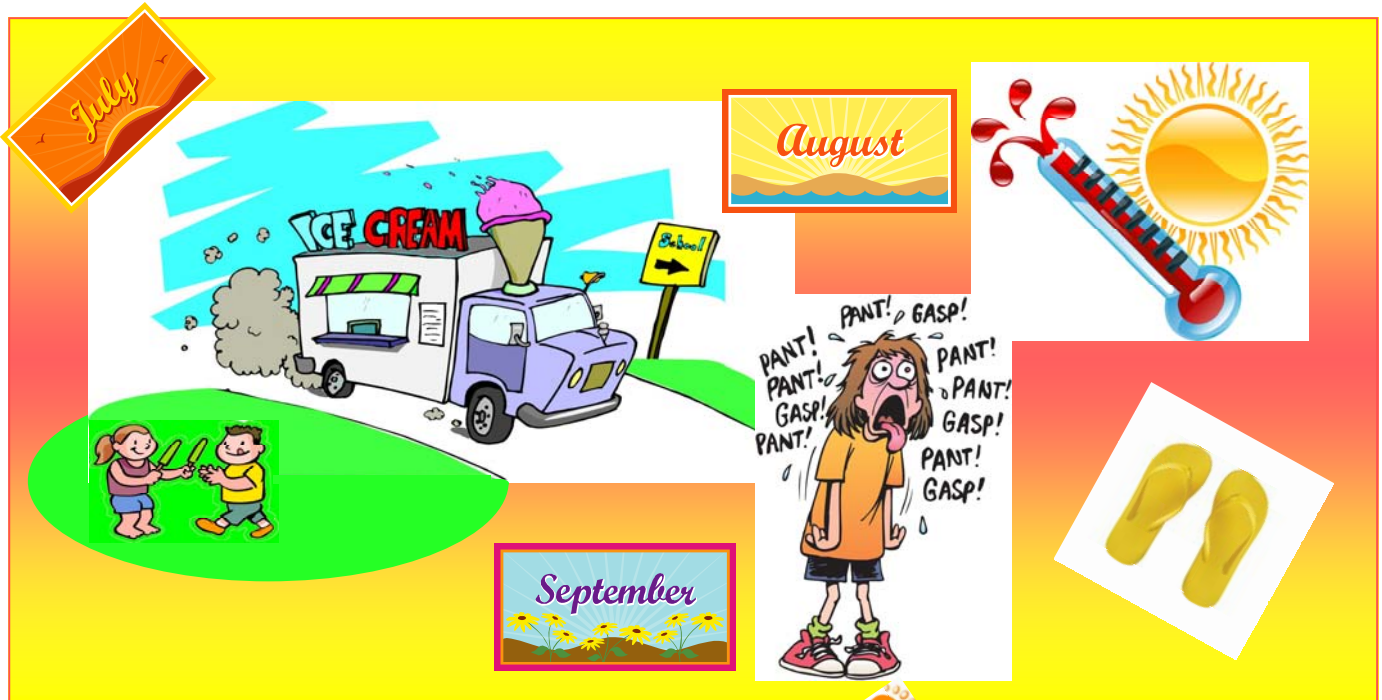


The PERIODIC PONDERANCE

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Honoring your worth/Taking care of your wealth

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A Farewell Note from Brian

It's been a great five years for me at The Wealth Conservancy. I have learned a lot, met many wonderful people and have had a surprising amount of fun. I am grateful to have had the experience and I will definitely miss coming to work here every day. And now it's time for me to move on.

My fiancée, Amy, and I are moving to Northern California later this month so that she can pursue the perfect garden and I can pursue a Master of Science degree in Financial Analysis at the University of San Francisco. Amy is excited by the longer growing season and sunny weather that California has to offer, while I am excited to focus more on the investments side of the financial universe. With any luck, our dog Sasha will soon be excited to have a larger yard to play in and another furry friend to play in it with.

The last five years at The Wealth Conservancy have prepared me well for a return to academia. Not only was I able to earn the CFP® designation during my time here, but I was also able to learn some very valuable "real world" lessons from some of the best in the wealth management business. Thank you, TWC!

Sincerely,

Brian Littlejohn

This Just In

Being the proactive, resourceful firm we are (and that you all know and love), we are excited that we have found who we believe will provide a most seamless transition for you in the areas where Brian has served you for the last several years.

Katherine Wolf has accepted our offer to fill this position and plans to start on August first. Katherine comes to us with over five years' experience in portfolio and account administration and great references, and a CFP® in hand, to boot.

During the transition and while Katherine is getting up to speed with our particular systems, software, etc., please feel free to call your lead planner or anyone else here at TWC for assistance. Katherine's email will be Katherine@thewealthconservancy.com.

On Kids Who Gather Leaves and Bake Cakes

The most emailed article in the New Yorker last month was Elizabeth Kolbert's book review "Spoiled Rotten; why do kids rule the roost?" In it, she wrote about the currently trendy and popular parenting books that are aimed squarely at the overindulgent American parent. Should we feel guilty? I'm not sure, but it's true enough to say that I felt a pit in my stomach as I read the lengthy article. Could a relatively affluent lifestyle be hurting my kids more than helping them? Are they developing the life skills they'll need to become responsible adults? Or will my teenage boys be stuck in "adulthood," a term the author used to describe young people who never quite grow up?

In this fascinating and self-reflective piece, Kolbert begins by writing about the research done by anthropologists on the family life of a tribe of people who live in the Peruvian Amazon. The researchers took special note of the activities of a particular girl who accompanied another family on a five-day, leaf gathering expedition on a river. Though she was assigned no special role, the girl found various ways to make herself useful. She swept sand off sleeping mats twice a day; stacked leaves to bring back to the village; and fished, cleaned, cooked and served crustaceans to the others in the group. The researchers found the girl to be calm and self-possessed, and she asked for nothing. The girl was six years old. Wow!

The part that put the pit in my stomach was reading what these same researchers found when they did a similar study on the family life of thirty-two, middle-class families in Los Angeles. What they found (spoiler alert!) was that not one of the kids routinely stepped up to doing basic household chores unless they were nagged, begged or

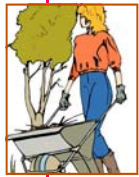
bribed. The kids had one, two or three adults at their beck and call. One boy routinely instructed his Dad to tie his shoes, although the child was eight years old. Are American parents raising a generation of incompetents? It's a loaded question and one I'm trying to figure out within my own family.

Recently I had tea with one of my parenting role models: a classically trained, concert pianist from the Ukraine who, along with her Swiss-born husband, has raised three accomplished and independent children. She seemed to have an entirely different standard of raising children than her American counterparts. I thought perhaps I had something to learn from her. She relayed a recent story about her soon-to-be twelve-year-old son wanting to make his own birthday cake. It was a multi-hour undertaking, and required him to make the buttercream frosting and jam from scratch and then assemble the four layers in the usual birthday-cake fashion. When he was finished, she said to him "Vadim, you've made this cake before, why so sloppy this time?" I almost fell out of my chair. If my own sons had voluntarily made their own birthday cake from scratch, the bugles would have sounded and great cheers would have rung in the air, even if the cake was a leaden and sloppy disaster. Why the difference in parental reaction?

It seems that my friend has embodied her parenting space differently than me and many other American parents. Her role is to teach her kids the skills they will need in life, and not to simply do these things for them. We talked about the interesting effect this had on her children and we landed on the concept of building competencies. As her kids mastered various life skills, they became more confident, and this confidence transferred to other areas of their lives. So it all became a virtuous cycle where competence encouraged autonomy, which fostered further competence, and so on and so forth, as her kids moved through adolescence.

So, how does an overindulgent American parent go about fostering these competencies? Again, I'm not entirely sure, but I think that it starts with doing less for my kids. Maybe I have to step aside more and allow for the messes and mistakes that are bound to happen when kids are learning. Would I find that I have more interesting conversations with my two boys if I can learn to switch gears into more teaching than doing? We shall see. But it certainly can't hurt to give it a try.

By Dianna Chiow



The good news, sir, is that Harris was able to sell off our losing stocks. The bad news is that Simpson here bought them from Harris.

PERIODIC PROFILES: Peter White

with an introduction by Myra Salzer

Peter is not like anyone else I know in the business. Seriously! It was back in 1994, perhaps, when I was invited to a gathering back East that he had organized. The theme was "beauty and civilization." For the life of me, I couldn't figure out how one could weave "beauty" into a three-day retreat, but Peter deftly melded a confluence of topics around this theme. Obviously! Otherwise it wouldn't still be with me all these years later. He also is the only invited guest I ever allowed at one of the "Inherited Wealth and You" workshops, which never would have happened without my having profound trust in him. Over the time I've known him, he's been corporate, solo, entrepreneurial, and always philosophical. Rare, indeed, and very special!

Myra begins the interview by asking Peter about living a split life between New York and Montana.

Peter: [My life] isn't so split anymore. For a while I was living in New York City and working for US Trust. Now, although I continue to have a consulting relationship with US Trust, I'm no longer an employee so my time is more my own.

At the end of 2008 I moved from New York to Montana, where I had a part-time home, and made it a full-time home. I travel a fair amount to visit clients, but I live in Montana now.

Myra: You said you go out to meet with your clients: who are your clients? What do you do?

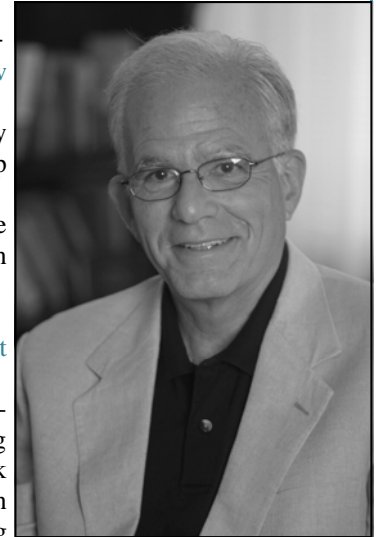
Peter: The clients are high-net-worth families who are in transition – or a transition is coming up or one has occurred – and the family is experiencing or anticipating difficulty because of family dynamics or personality differences. Most families lack experience in dealing effectively with the emotional issues a transition, like succession from one generation to another, can arouse. So they ask for advice about managing their way through the transition. I get involved by facilitating their conversation as a group, helping them separate the emotional from the rational so they can decide what they want to accomplish and how they want to work together to accomplish it. For example, how does a family that's moving from a small group of stakeholders to a large one, as in succession from second to third generation, want to make decisions? By majority rule? By consensus? Who will have authority over what issues? Should there be a committee or a board structure? The engagements usually involve my staying with the family through the transition, and maybe into the next phase, as a facilitator and advisor on process and governance.

Myra: What kinds of issues bring clients to you and what's at the heart of the service you provide?

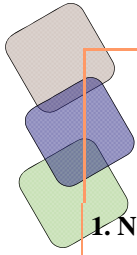
Peter: There's usually a presenting issue such as a chronic personality conflict or a difference of opinion about whether to sell the family business or how the business should be managed or the financial assets invested, but the real issue is often broader than that. In my mind, the key to meeting most of the challenges that our family clients face is helping them learn to function as communities in the broadest sense of the word. I mean that a true community is a group of people who are open with each other, who are not afraid to disagree and argue and thrash out an answer but who, at the end of the day, agree to support what they've decided. True communities discuss, they share their feelings, they often disagree but in a deeper sense they're all rowing the boat in the same direction. Our clients don't always know how to do that, and I view my job as guiding and facilitating when they need help.

Myra: If I had to say who is Peter White, I would have to say he is the philosopher of the industry. Would that description surprise you?

Peter: No, I think there's probably a grain of truth in it. I spend a lot of time studying philosophy; I don't consider myself a philosopher in the professional sense. I would love to be, but I don't have the training and the background of extensively poring through the original writings of all the great philosophers, but I do tend to think in concepts about what's important to families and their enterprises. And so a lot of the things I've studied for myself in my own life, including an Eastern approach to resolving problems, I've tried to bring into my work as they seem appropriate— maybe couch them in more Western terms, but try to rely on truth wherever I can find it.



(See "White" Continued on page 6)



THE 10 ELEMENTS OF CARE

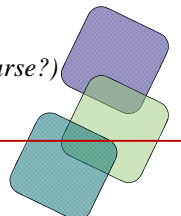
by Peter White

(This list is for anyone who wants to know what is important to leave behind for their children.)

- 1. Necessaries** — food, clothing, shelter, medical attention, basic education.
- 2. Affection** — This involves “the great big person who takes care of me opening him or herself to me, making him or herself vulnerable and human in a way, connecting with me physically and in spirit, and thus affirms my significance as a person.”
- 3. Affirmation and Support** — This is basically about expressing sincere belief in the child: “You want to be a cheerleader – or a doctor or an astronaut – and you can do it!”
- 4. Boundaries** — Peter says that we are living in an age where the lack of boundaries for children is epidemic. Boundaries, of course, reflect a closing value – that certain, reasonably well-defined behaviors are unacceptable, and that when these behaviors occur, unpleasant consequences will result.
- 5. Guidance** — Telling and showing children how to cope, how to deal, how to create, how to succeed. Guidance involves how-to techniques such as how to do the dishes or drive a car but at essence guidance is about beliefs – belief in the sense of action motivated and circumscribed by values held by the parents. In the wealth context, guidance on budgeting is essential, and guidance on philanthropy, which may come from participating in family philanthropy together as a group, are good examples. Parents of wealthy kids are worried about passing their values to their children, but they needn’t worry about that if they are present to them, in quality and non-quality times.
- 6. Respect** — This is really about listening. It is respectful to listen seriously to what the other person is saying seriously and to empathize with what the other is feeling genuinely.
- 7. Trust** — This means relying on the other to act responsibly, and to allow someone the opportunity to do the wrong thing.
- 8. Forgiveness** — This is not about the glib “I forgive you.” Forgiveness does not erase the hurt; by definition, it feels the hurt but decides to carry on the relationship despite the hurt.
- 9. Religion or Spirituality** — My experience over the last 20 years tells me that children raised in an environment of religion tend to be more in touch with themselves than those who are not. When I use the word religion, I am not referring only to the organized religions – though I am not excluding them either – but I am speaking about an aspiration to higher and enduring truth.
- 10. Letting Go** — This is the most difficult and along with Necessaries and Affection, the most important. We must say to our kids, “I’ve done the lion’s share of the motherly or fatherly work, and I’m here and will be here for you as long as I can be; but the responsibility for you is now yours.” So many entrepreneurs don’t like what they see when their kids turn 21 and now they’ve got time to fix it; but, generally speaking, they shouldn’t fix it. This is love: resisting the temptation to take care of people who should be taking care of themselves.

Here is a list of six actual college degrees I’ll bet you never heard of. If you want to know how these might be applied to real life, go to <http://msn.careerbuilder.com/Article/MSN-2504-College-Internships-First-Jobs-Weird-but-true-College-degrees/>.

1. Racetrack Management (*I’ll bet this is a winner.*)
2. Packaging (*Has the person who invented the impossible-to-open plastic clamshell packages dared to come out of hiding?!*)
3. Viticulture and Enology (grapes and wine) (*My first choice!*)
4. Puppetry (*I absolutely don’t know how to comment on this one.*)
5. Decision making (*If you need a degree in decision making, how could you make the decision to take the course?!*)
6. Turfgrass Management (*a prerequisite for Racetrack Management?!*)

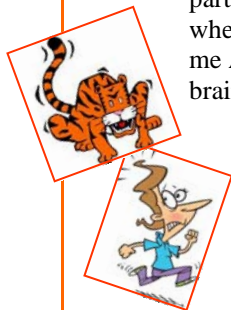


What Neuroscience Tells Us About Behavioral Change

What's the first thing you do when you want to make a change? A change such as losing weight, not watching so much T.V., or even internal changes, such as decreasing anxiety of any kind. Most of us start by defining the new behavior that we want, and try our best to do that, like making a New Year's resolution. However, according to what neuroscience tells us, the best place to start is by being compassionate to ourselves around the change we desire. Let me explain.

One brain, two minds

First, a little brain anatomy lesson. We have an instinctual part of our brain that is responsible for keeping us safe when we are being chased by a tiger (this happens to me ALL the time...), and a more evolved part of the brain that enables us to regulate our instinct. The more evolved part of our brain remembers our long-term goals, our core values and is responsible for making conscious choices. Now, back to why being compassionate to ourselves can help us make desired changes:



Self-awareness

When we are compassionate to ourselves, neuroscience shows that we trigger the part of our brain that feels connected to others, and safe. When we feel connected and safe, we can get curious about how a particular pattern or behavior is happening in our life, and then we have self-awareness. And when we have self-awareness, the change is already starting, even if the behavior has not changed yet.

Motivation

Being self-compassionate also allows us to connect with that more evolved part of our brains that remembers what's important to us. So, now we have self-awareness and motivation teamed up together to bring about our desired action, or:

Self-awareness + motivation = desired action

On the flip side, neuroscience shows us that when we are being self-critical, it activates the part of our brain that is associated with punishment, threat and inhibition. I don't think we need a scientific study to illustrate how difficult it would be to thrive

under those circumstances (but, the evidence does exist for those of us who like proof – myself included).

Experience vs. story – a tool for change

OK, self-awareness + motivation = desired action. Simple, yet why is change so hard? As we all know from experience, making change requires effort, and sometimes a lot of effort. One of the reasons is that when we are experiencing discomfort, we don't think we can handle it, so we chase relief from the discomfort, and the relief may be the behavior we are trying to change. For example, let's say someone wants to eat healthily, but then craves a pint of Ben and Jerry's every day after her daily phone call from her mother (don't worry, Mom, this is just a *fictional* example). When we think we can't handle the discomfort from this phone conversation and we chase the relief – in this case ice cream – that creates a self-destructive loop. On the flip side, when we are feeling discomfort and out of control, here are some things we can do that could change that loop:

- Allow yourself to have the discomfort.
- Notice what the discomfort feels like in your body.
- Experience the discomfort as waves.

By experiencing the discomfort in this way, whether it is a craving or anxiety, you are connecting with the *experience* of it rather than getting *stuck in the story* of it. This practice may be useful in getting through challenging urges that pull you into doing the behavior you are trying to change.

Conclusion: chill out and let biology do the work

What does all this mean? Well, in a nutshell, be kind to yourselves and allow biology to support you in making whatever change you desire, whether it is training for a marathon, spending differently, starting a new venture, or overcoming a fear of flying. You name it!

By Melissa Hoyer

This article was inspired by an interview titled, "The Neuroscience of Change" by Kelly McGonigal on the Sounds True Insights at the Edge program. If you would like to learn more, you may access the interview online at

<http://www.soundstrue.com/podcast/the-neuroscience-of-change/>.

TWC Hours and Holiday Closures

Office hours: Monday - Friday,
8:00 a.m. – 4:30 p.m. (MT)

(Beginning May 25th, we will close at 1:00 on Fridays through the Labor Day weekend.)

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*Honoring your worth /
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(“White” continued from page 3)

Myra: Tell me a little bit about you; who you are, what your background is, what makes you tick, what are your passions?

Peter: I’ve had a lot of different experiences, both good and bad. I think it took me a very, very long time—longer than it takes most people—to come to some kind of understanding of who I am. I spent a number of years, particularly as a young adult when I was practicing law, trying to answer the question of who I am by achieving all kinds of exterior goals like gaining public acclaim and making a lot of money, thinking that those kinds of avenues would bring me the satisfaction and meaning I was missing.

When I had a bit of a midlife crisis in my late 30s, I began to look really intentionally at my life. I left the practice of law (I was a litigator) and began doing work, including work with wealthy families, that was more related to my personal journey. I discovered that a lot of people in the wealthy families I worked with were, like I had been, trying to find answers in places that are exterior to us as opposed to answers we can only find in our interiors, where the mind and spirit reside.

I think what I really added to our profession is the idea that the task of finding meaning is crucial and is basically an interior job. And helping people whose lives are so wrapped up in how other people see them, what their social standing is, what the success of their business is, how much money they’ve got, how it’s being invested—all those things aren’t unimportant questions, but they’re not the only questions. All of that came out of my own experience. So I think that basically what I’ve been doing for most of my life is looking for the answer to the question, who am I? In a more specific way, helping clients look for pretty much the same thing in the context of affluence, where the answer is sometimes tricky to find.

When you asked about what my passion is—my passion is the quest for self-realization and hopefully someday self-transcendence. That’s my passion. Other than the day-to-day tasks of living that we all have to do, that’s pretty much what my life is about—trying to move along that path.

Myra: I ask everybody this, and you will not be left out of this question: Tell me something about you that would surprise people who know you well. Or something about your past that would surprise or is out of character with who you are today.

Peter: Something that might be surprising is the fact that almost every year for the past forty years one of my best friends and I have gone out to Las Vegas for three or four days. It’s not as exciting as it sounds, Myra, especially since he’s not getting any younger! We decided when we graduated from law school that we’d save some money and do something silly with it someday, so we saved twenty-five dollars a month and finally decided to go to Vegas. I think it took us three years to get enough money to buy airline tickets, pay for a hotel, and have some cash to fritter away in the casinos, which is certainly what happened. Fortunately, we left our credit cards and checkbooks at home. We had so much fun we went back the next year and have gone back almost every year since.

Myra: And with all the changes I know you (and probably he) have been through, you’ve done this and it’s been a fun thing, but also reflective, because he knew you before many of your incarnations.

Peter: No question. I think having friends who have known you for a long time is so important. I know many people out here in Montana who have grown up with the same people who are their friends now, and they have this wonderful feature of longevity in their relationships that I have with very few people. Very few people have known me most or all my life. Having some people who have known you for a lot, if not all, of your life is really nice.

Peter White has worked with families of wealth for many years, following 16 years in the legal profession. In 1986 he founded a consulting and education firm, International Skye, which is best known for the Skye Summer Institute, an educational program for young adults centered on responsibility and competence in living a purposeful life.

Mr. White served as senior adviser to Banker Trust Company, Managing Director of Family Advisory Practice at Citigroup Private Bank, and has served as Vice Chairman of U.S. Trust Company. He was Visiting Professor of Ethics and Family Enterprise at Stetson University and founding director of the Stetson Family Business Center. He is the author of Ecology of Being (All In All Books 2006). He serves as a trustee of The Kenyon Review and Philander Chase Corporation.

