Becoming the Rising Generation:
Uncovering the Path to Thriving for the Next Generation in Ultra-high Net Worth Families

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Abstract

Despite the common misconception that people who are born into wealth don't (or shouldn't) have problems, there are many challenges that rising generation family members face. Interviews with inheritors often reveal with themes of flagging self-identities, fear of failure, isolation, and lack of motivation. The roadblocks on the path towards thriving experienced by the next generation of affluent families are often unseen and generally not acknowledged. What can look like poor behavior – entitlement, disengagement, apathy, and lack of motivation – is often camouflaging deeply-felt confusion, self-doubt, fear, shame, and anxiety. Those next generation family members who adopt a mindset of hope, growth, and a willingness to persevere and find their own voice and path are referred to as the "rising" generation. This paper explores what traits and skills support inheritors to become members of the rising generation. Based on semi-structured interviews with rising generation exemplars, this research identifies four positive psychological skills or traits – growth mindset, grit, mastery experiences, and positive relationships – that are commonly present within the rising generation family members who have overcome the pitfalls of inherited wealth in which many of their peers become entrapped. Additionally, this paper outlines how both parents and their children can begin to cultivate these skills and traits.

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Table of Contents

And the day came when the risk to remain tight in a bud was more painful than
the risk it took to blossom.
                                                                        ~Anais Nin

An ounce of prevention is worth a pound of cure.
                                                                    ~Benjamin Franklin

The McAllister Family: A Story

John McAllister was born to be an entrepreneur. His sharp intellect and gregarious

personality made him a natural leader and his unrelenting drive and vision seemed to give him

the Midas Touch in all of his pursuits. Always on the cutting edge and a risk-taker by nature, he

began his career by starting what would become a wildly successful software company with two

of his college friends.

He and Linda met in their mid-twenties and by their early thirties they had two

children—Ben and Ellen. While both John and Linda valued family, the stresses of managing an

exploding business in a fast-paced field, and the schedules of two children often left them with

little time together as a family. John traveled regularly for his job and Linda, a lawyer, was often

juggling the responsibilities of her work, the kids, and the house on her own.

As a result of John's hard work and singular focus, the company grew significantly and

when Ben and Ellen were in their early teen years, John and his partners took their company

public, creating a significant wealth event for each of them. John and Linda's net worth jumped

to $75,000,000 and they began enjoying all of the trappings of their newfound wealth.

John and Linda built a beautiful vacation home at the beach and also moved their primary

residence to a more affluent part of town, into a house that backed to a lake. John had worked

hard for this windfall and he enjoyed buying toys for the kids – jet skis, paddleboards, and a ski

boat for the lake. Though the kids enjoyed the new status that their family's wealth had created

for them, they soon found it to be confusing as well. Even in this affluent part of town, Ben and

Ellen were known as the "rich kids" and each quietly wondered if the kids coming over to hang out at their house really wanted to be their friends, or if they just had the most fun "stuff." Additionally, as their father's company employed many people in the community and their last name was well known, both teenagers felt the burden of living in the spotlight.

While Linda decided to step back from her position at her law firm and dedicate more time to the family's philanthropic work, John continued to work long hours at his company. When he was home for dinner, the kids would often say that it felt like the company was another member of the family because he spent so much time talking about it. Both Ben and Ellen knew their parents loved them, but they often felt lost in the midst of their parent's many activities and competing areas of attention.

John and Linda each knew how hard they had worked to get to where they were and they didn't want their kids to have to struggle the way they had. With all the best intentions, they were happy to send them to high-end sports camps, the best schools, and hired private tutors. What they couldn't give them with time, they were attempting to give them with opportunity. Knowing how hard the first couple of years after college were for them, John and Linda even set up trusts for Ben and Ellen that would begin to distribute quarterly when they each turned 21 years old. They wanted each of their kids to know they didn't have to have the stress of earning money and, instead, could focus their attention on pursuing their passions.

Throughout high school and college Ben's motivation began to flag. He was bright and people often compared him to his dad. He always had a sinking feeling when he heard the comparison because he knew there was no way he was as smart or as talented as his dad – just look at what his dad had created! Ben didn't have a "big idea" like his dad had had, and he was pretty sure that the magic gene of success had been left out of his gene pool. When he graduated

from college, his parents told him he'd never have to worry about money and he should go find his passion. However, at 22 years old, he had no idea what his passion was and he felt foolish for not knowing. He assumed it was just another sign that he was not as gifted as his dad. Ben dabbled in several different things in his 20's, but he never wanted to be tied down by a 9-to-5 schedule and by his 30th birthday he still had never held a significant job.

Ellen struggled in her own ways. She always wanted to be a teacher, but one year after college, she discovered that her teacher's salary didn't compare to the trust distribution she was getting. Teaching was hard work and required a lot of hours and it seemed fruitless to continue to work for so little. Plus, when she was working, she could never join the fun trips that her parents were taking. She quit her job teaching and, though she thought about starting a private tutoring business, she never pulled a business plan together nor took action on her idea.

By their 30's both kids had stalled out – neither was engaged in meaningful work that used their skills and both were relying entirely on their inheritance to live, burning through their trusts at a faster rate than their parents had anticipated. John and Linda were confused. They had given their kids every opportunity while making sure they never had to struggle – why weren't they flourishing? Why weren't they using the resources they were given to support their pursuit of their passions? The outward picture looked perfect, but the reality was that both Ben and Ellen were struggling to find their own path and to contribute to their own lives, let alone their communities, in any significant way. They lived in the shadow of John's success and their family name, and never having proven to themselves what they were capable of, neither had the skills nor the confidence to work hard to achieve something of value to them.

Framing the Issue

The story of the McAllisters is fictional, however, it depicts a composite of real experiences found in many families where significant wealth has been created and is being passed down to younger generations. While it may seem hard to comprehend that the family wealth that enables so many opportunities for its beneficiaries also creates challenges that, for some, become insurmountable, it is a story that is more common than not. Seventy percent of families fail to successfully preserve and transfer their wealth to the next generation (Williams & Preisser, 2003). And, of the 70% who fail, 60% of the failures are due to a breakdown of communication and trust within the family and 25% of the failures are due to the beneficiaries not having the education and skills necessary to handle the responsibilities of inherited wealth. In fact, only 15% of the failures are due to poor technical planning, such as tax and estate planning – the areas of wealth planning on which families typically spend the most time.

While this may seem like an issue that is of little consequence outside the circles of the wealthy, the dissipation of family wealth does have a ripple impact on broader cultural concerns, most notably through the significant decrease of philanthropic dollars. American philanthropy has a long history of addressing social issues – both worldwide as well as close to home – that have otherwise felt intractable. Take for example, two historical examples of businessmen-turned-philanthropists – John D. Rockefeller and Andrew Carnegie. Both men built their fortunes in business during the American Industrial Revolution of the 1800's (Telgen, 2012) and both created significant social impact as a result of their philanthropic efforts. While Rockefeller supported many causes, early in its history the Rockefeller Foundation focused on education (one institution he supported was Spelman Seminary, later Spelman College, for African American women) and medical research (his funding helped to support the development of a meningitis

vaccine in 1908, as well as a hook-worm campaign that started in the U.S. and then spread overseas) (Telgen, 2012). Carnegie donated over $50 million to build more than 2,800 public libraries in the U.S. and Great Britain. And, in 1910, he also founded the Carnegie Endowment for Peace to support the efforts of international peace (Telgen, 2012). Two contemporary examples of businessmen-turned-philanthropists whose efforts are creating tangible social impact are Bill Gates of Microsoft and Arthur Blank of the Home Depot. The Bill and Melinda Gates Foundation (www.gatesfoundation.org), through its efforts, has made significant progress combatting infectious diseases such as malaria, polio, and HIV/AIDS in the poorest communities in the world. The Arthur M. Blank Family Foundation (www.blankfoundation.org) has, as one of its areas of focus, invested over $30 million dollars into catalytic projects to ignite positive change and transform poverty into possibility in Atlanta's poor Westside communities. All of these are examples of highly successful businessmen who transformed their ideas into significant financial capital, and then, ultimately decided to spend the latter part of their lives creating change. In fact, the latter two, Gates and Blank, have both signed the Giving Pledge (www.givingpledge.org), a pledge that some of the world's wealthiest individuals are making to give the majority of their wealth back. When affluent families don't successfully transition their wealth and their values to their children and grandchildren, and when those families ultimately succumb to the 70% wealth failure rate that is the fate of most affluent families, the potential positive impact of that family's financial capital is forever lost.

This paper is about one of the first steps on the path to overcoming that failure rate – exploring why it is so hard for many children raised in wealthy families to thrive, and, for those who are thriving, understand what they are doing to create lives of autonomy, contribution, and engagement.

A Brief History of Wealth in America

The American Dream is rooted in an idyllic notion that any committed person, through bootstrapping, ingenuity, risk-taking, and hard work, can rise up and create success and financial security (Telgen, 2012). The fuel for this dream is the long-held romance that Americans have with entrepreneurism and the celebration of the kind of can-do attitude that has created fortunes since the birth of this country. The first wave of real wealth created in the United States took place as a result of the American Industrial Revolution, from 1820 – 1870 (Telgen, 2012). This era of American industrialization, led to the Gilded Age fortunes associated with such names as Carnegie, Vanderbilt, Rockefeller, and J. P. Morgan (Grubman, 2013; Telgen, 2012). While events such as the Great Depression served as an economic leveler, throughout this country's history, America's capitalistic system, combined with a national love for rugged entrepreneurism, has continued to inspire individuals to pursue the creation of wealth (Telgen, 2012). Americans have, and continue to, invest in that dream. And, while many will pursue wealth, only a small few will actually achieve the dream of creating significant personal wealth.

Definition of Terms

In the financial industry, the term "ultra-high net worth" (UHNW) is a term used for both marketing as well as to segment what level of wealth (and, therefore, financial complexity) a financial firm is best suited to support (A. Porter, personal communication, June 7, 2018). There are no rigid definitions as to what qualifies as "ultra-high net worth," and, as a result, many banks and financial institutions create their own definition for what UHNW means in their institution. A common practice in the United States is to define UHNW as any individual or family who has at least $30 million of investable assets, excluding personal property, collectibles and other consumer durables ("ultra high net worth," 2018).   In the United States today, 20% of

those considered UHNW are a part of families who have been able to preserve and pass their

wealth down through multiple generations, and 80% of those considered UHNW have created

their wealth in their own lifetime; a ratio which has held constant for most of our economic

history (Grubman, 2013). In both cases, the wealth creating generation is often referred to as

"G1," or the first generation of wealth. Subsequent generations are referred to as "G2," "G3,"

and so on (Grubman, 2013). In addition to having a nomenclature that distinguishes each

generation in its relationship to the wealth creating generation, it is also common to refer to the

younger members of affluent families by two terms, either as the next generation (Hughes, 2004)

or the rising generation (Hughes, Massenzio, & Whitaker, 2014). The next generation term is a

chronological distinction, often used when distinguishing a family member from the generation

that created the wealth, or in the case of families with multigenerational wealth, giving them

distinction from the older wealth-inheriting generations in their families. The rising generation

term is both a chronological and a psychological distinction, used to describe a younger family

member with a certain set of psychological attributes or mindsets (Hughes et al., 2014), rather

than just distinguishing their relative place in the family. The psychology of a rising generation

family member is one of growth, possibility, and hope – it is a willingness to persevere and find

one's own voice and path (Hughes et al., 2014). Within this paper, when referring to the typical

experience of a younger member in an affluent family, I will refer to them with the generic term,

next generation. When describing the path to thriving for this population, I will refer to them

with the more actively engaged term, rising generation.

The Hidden Challenges of Growing Up with Wealth

As illustrated through the story of the fictitious characters, Ben and Ellen McAllister,

despite the common misconception that people who are born into wealth don't (or shouldn't)

have problems, there are, in fact, many challenges that next generation family members face. Interviews with inheritors often reveal themes of flagging self-identities, fear of failure, isolation, and lack of motivation (Blouin & Gibson, 1995). One of the primary challenges many inheritors face is creating their own identity separate from their families. For most next generation family members, they are the descendants of highly ambitious, energetic, capable, and driven wealth creators (Blouin, 1996). While the transformation of the wealth creator's human capital – the combination of their gifts, talent, and vision – into material wealth is often magnificent, it also can create a black hole for those who live in its wake (Hughes et al., 2014). This black hole can absorb the attention, aspirations, and energies of individual family members, leaving them to feel like their only identity is in relationship to the wealth or the wealth creator. Underscoring this point, even the nomenclature used to identify the generations within these families uses the wealth creator as the baseline (G1), anchoring the idea that he or she is the beginning of the family line.

In addition to a lack of individual identity experienced by many next generation family members, a second key challenge is the pressure to succeed (and it's shadow side, the fear of failure) (Hughes et al., 2014; Willis, 2005). Having been raised in a family where tremendous success appears to be the norm, many next generation family members describe intense feelings of pressure to measure up (Blouin, 1996; Edwards-Pitt, 2014; Hughes et al., 2014); but for most, the bar of success is set unimaginably high. Overall, sufficient and sound research looking at adolescents and emerging adults from UHNW families is lacking. Most often, the research exploring emotional impact and socio-economic status (SES) is focused on adolescents in low SES conditions, however, research by Luthar and Becker (2002) explores the links between high SES and symptoms of emotional distress. In their work, Luthar and Becker (2002) found that

adolescents in affluent, suburban settings had notable rates of depressive symptoms, anxiety, and substance abuse. Their research indicates the trigger points for these symptoms of emotional distress are often related to high achievement expectations (other's expectations of them) and perfectionism (their expectations of themselves) (Luthar & Becker, 2002). Luthar and Becker's (2002) study participants were middle school students attending a school in an affluent community in the Northeast. In the 2000 census, the median annual family income in the region of the study was reported to be $102,000 (Luthar & Becker, 2002). Therefore, the definition for affluent used by the researchers in this study is significantly lower than the commonly used definition of an UHNW individual or family. However, extrapolating the researchers' conclusions into even higher economic demographics, it seems plausible that the pressure felt by UHNW adolescents to achieve – and never to fail in the process – is likely significant.

A third key challenge for many next generation family members is dealing with feelings of isolation (Blouin, 1994; Willis, 2005). This may start with a lack of closeness to their parents, which is consistent with Luthar and D'Avanzo's (1999) research indicating that adolescents from higher SES homes tend to report a lower level of connection to the adults in their lives, particularly their parents (Luthar & Becker, 2002). In a national survey conducted by the Department of Health and Human Services (as cited in Luthar & Becker, 2002), adolescents between the ages of 12- to 17-years old indicate that closeness with their parents to be inversely linked to household income.   In addition to potentially feeling more isolated from their parents, kids raised in affluent families are often faced with society's projection that their affluent status has not been legitimately gained (Shoenberg, n.d.). According to Shoenberg (n.d.), because people inherently believe that reward should be commensurate with effort, an inheritor's wealth may be accepted as legitimate, but the status that normally accompanies wealth is not considered

legitimate because the inheritor didn't earn it. It is common for inheritors to experience shame and choose to deal with this projection of illegitimacy by hiding their wealth (Blouin, 1994). This can create a social isolation due to feeling like they can't authentically be themselves anywhere or share their experiences with anyone who would understand. And, to exacerbate the challenges of trying to navigate the emotions and the relational impact of belonging to a family of affluence, the topic of money continues to remain one of the few remaining taboo topics not openly discussed in our culture (Furnham & Argyle, 1998), leaving next generation family members feeling more isolated, with few resources or safe havens in which they can confide and productively process their experiences.

A fourth challenge that members of the next generation face is the impact that unearned wealth has on their motivation (Blouin, 1996; Hughes et al., 2014; Edwards-Pitt, 2014; Willis, 2005). According to Schoenberg (n.d.), inherited wealth does not conform to common economic theory where an individual's happiness increases when their benefit (like income) is maximized and their cost (like work) is minimized. If this theory could be applied universally, then inheritors would indeed feel as if they are in the enviable position that society perceives them to be. However, as illustrated above, they are often more unhappy than their less affluent peers, a conclusion that is supported by Gardner and Oswald (2001) who reported that while small inheritances did increase well-being, large ones did not. Even though most well-meaning parents and grandparents intend that wealth given to their family will serve as a safety net that supports them to achieve their potential, it is more common that money becomes a parachute to nowhere (Edwards-Pitt, 2014). Lacking the situational drive and frustration tolerance that comes with the need for, and experience of, earning money, combined with the fear of failure and looking incompetent, many inheritors have never had opportunities that require them to become fully

responsible, autonomous, and engaged with the value-producing challenges of life (Gibson, 1994). Because their wealth, or access to wealth, creates so many opportunities, many inheritors end up feeling overwhelmed and paralyzed by the wide range of possibilities and end up acting on none (Blouin, 1996; Willis, 2005). This pattern further erodes their self-confidence and their intrinsic motivation over time as unearned wealth can quickly enable inheritors to move from job to job, or hobby to hobby without ever having to do the hard work of building mastery in any one domain.

The Opportunity

The roadblocks on the path towards thriving experienced by the next generation of affluent families are often unseen and generally not acknowledged. What can look like poor behavior – entitlement, disengagement, apathy, and lack of motivation – is often camouflaging deeply-felt confusion, self-doubt, fear, shame and anxiety (Gibson, 1994). It is estimated that in the 55-year period between 1998 and 2052, as members of the Baby Boomer generation come to the end of their lives, $51.8 trillion (in 2007 dollars) will be transferred out of their estates and given to their families and their philanthropic causes (Havens & Shervish, 2014). This is being termed the Great Wealth Transfer and it has significant implications for the well-being of the next generation in affluent families as well as larger implications for society as a whole, as discussed earlier. While certainly providing incredible advantages, it is clear that inherited wealth also presents its recipients with significant challenges. It is easy to dismiss the challenges of this affluent demographic as frivolous compared to the immense challenges faced by those without daily access to food, shelter, and safety. The challenges are indeed different, but I propose that by addressing the challenges faced by the rising generation and releasing the power of the human capital contained within those individuals, it is possible that all boats will rise. As

the rising generation are supported to overcome the challenges to self-actualizing in a context of unearned wealth, they will be more able to focus their human capital – their gifts, talents, and expertise – outward, towards issues impacting our communities and our world. As has been proven by the impact that the Giving Pledge (www.givingpledge.org) – the pledge made by the world's wealthiest individuals to give the majority of their wealth back – has had on community and world issues, as the attention of the rising generation can move from overcoming the challenges of unearned wealth, it can instead focus on the issues in the world most salient to them. It is not hard to imagine a world where the generation of inheritors combines their considerable wealth with a desire to make the world a better place.

This paper describes qualitative research conducted with thriving members of the rising generation. The goal of this research is to use the lived experience of these exemplars to better understand what supported their ability to flourish in a situation where many of their peers flounder. This paper will illustrate the hidden challenges of growing up with significant wealth; explore the traits and skills present in those who have been raised with wealth and still overcome challenges to create lives of thriving; and, using the lens of positive psychology, discuss what both parents and rising generation family members can do to support their ability to thrive – creating lives of autonomy, contribution, and engagement.

What is Positive Psychology?

While the field of positive psychology is relatively new, the questions that have guided the research and application in the field of positive psychology have been asked for centuries. For thousands of years, dating back to Confucius and Lao-Tsu in the East and the Greek philosophers in the West, thought leaders have been asking what constitutes the good life, what conditions support human thriving, and what it means to be happy (Dahlsgaard, Peterson, &

Seligman, 2005; Peterson, 2006). Embedded in these ancient inquiries are questions regarding

the role of character, virtue, and strengths – all topics that exist at the heart of the field of

positive psychology today (Peterson, 2006). But, what has become the study of positive

psychology today hasn't always been separate from the topics traditionally studied in the field of

modern human psychology.

The roots of modern psychology date back to the 19th century when the field had three

missions: to cure illness, to make the lives of all people more productive and fulfilling, and to

identify and nurture high talent (Seligman & Csikszentmihalyi, 2000). However, after World

War II, the focus of the psychology field in the United States began to shift. Due to the creation

of the Veterans Administration (now Veterans Affairs) and the National Institutes of Mental

Health, which were created to address the grave need of veterans returning home with mental

health issues after their war engagement, government funding began to flow to 1) research that

was focused on understanding human suffering and 2) to practitioners who treated human

suffering (Seligman & Csikszentmihalyi, 2000). Amidst this shift of focus, the other two

components of the field's mission were left behind (Seligman & Csikszentmihalyi, 2000). While

the narrowing of the field's empirical focus to assessing and curing individual suffering was

detrimental to the study of well-being, this era did produce incredibly valuable work. It was in

this post-WWII era that both the *Diagnostic and Statistical Manual of Mental Disorders* (DSM),

sponsored by the American Psychiatric Association (1994) and the *International Classification

of Diseases* (ICD), sponsored by the World Health Organization (1990) were established. Both

of these resources helped to create a common practitioner language and agreed-upon criteria for

diagnosing disorders, making it possible to leverage research available in the field to treat or cure

some mental illnesses that were previously considered intractable (Peterson, 2006). So, while

the focus of the field of psychology since WWII has been extremely valuable, it is incomplete. As stated in the preamble to the constitution of the World Health Organization, "Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity" ("World Health Organization definition of health," 2018). Embedded in this definition is the implicit recognition that health is not just defined by the absence of disease, but it is also about the presence of wellness; by extension, mental well-being is not merely the absence of mental illness, but the presence of psychological well-being. This is the focus of the field of positive psychology today.

The field of positive psychology was formally born in 1998 when Martin Seligman (1999) gave his presidential address to the American Psychological Association. Seligman (1999) challenged the field of psychology to give equal attention to understanding human thriving as had been historically dedicated to understanding human suffering. As a result, the increase of research money and subsequent attention paid to topics addressing well-being has expanded our knowledge of what supports human flourishing significantly in the past two decades.

So, what is positive psychology? According to Seligman and Csikszentmihalyi (2000), positive psychology is the scientific study of what goes right in life, what makes life worth living. Despite the official name of the field, positive psychology is not just about being happy – it regards both the good and the bad in life as genuine aspects of the human experience, and calls for equal focus on the study of strengths and well-being as there is a focus on weaknesses and disease. One of the key differentiators between positive psychology and one of its predecessors, humanistic psychology, is that the field of positive psychology is strongly committed to the

scientific method – its aim is to focus scientific rigor on helping us to understand how we can create and cultivate more of what supports human thriving (Peterson, 2006).

Since Seligman (1999) called for the birth of this new field of positive psychology, the research within the field has expanded dramatically, and its application is being formally utilized within many fields, including education, law, organizational development, and philanthropy, to name a few. Additionally, positive psychology's version of the *Diagnostic and Statistical Manual of Mental Disorders* was created in the *Character Strengths and Virtues* (CSV), a manual dubbed "the manual of the sanities" (Peterson & Seligman, 2004, p. 4). The CSV is important because it gives a classification system of strengths and virtues – giving equal weight to that which supports our well-being as has previously been given to that which hinders it.

How might the lens of positive psychology be helpful in creating a new paradigm for members of the rising generation in affluent families? Research continues to mount that there are human strengths that can act as buffers against mental illness (Seligman & Csikszentmihalyi, 2000). These strengths include, but are not limited to, future-mindedness, optimism, courage, gratitude, positive emotions, work ethic, hope, perseverance, honesty, and the capacity for flow and insight. This paper intends to explore what psychological factors seem to help rising generation members flourish, and how the science of well-being, strengths, and human thriving can be applied to the developmental path of next generation family members. The question of how to support these individuals to thrive is a complete one in and of itself. And, there is a broader community and worldwide vision that may also grow from the application of this research – when these members of the rising generation begin to more fully tap into, and deploy, their human capital in conjunction with the financial and social capital they often have, what community and worldwide impact might result?

Methodology

This research project was primarily a qualitative observational study based on semi-structured interviews. These interviews were conducted with rising generation exemplars – defined as those who illustrate the upper-end of development of a particular characteristic, or set of characteristics, in a population (Bronk, King, & Matsuba, 2013) – in this case, in UHNW families. The research study also contained one quantitative component, the PERMA Meter, which was used as a validation of interviewee well-being.

Research Design Rationale

Qualitative research provides a form of data that offers contextual richness and a depth of reflective and relational information that many other research methods aren't able to capture (Yin, 2016). In particular, semi-structured interviews are a useful qualitative method when two key elements are present: 1) the research question necessitates enough structure to address specific dimensions present in the subject's lived experience, and 2) when the data being gathered would also benefit from study participants having enough flexibility to share information that may bring new meaning to the topics being studied (Galletta, 2013). The semi-structured interview questions are informed by theory and the interviewing process allows for valuable flexibility. Through the unfolding narrative of the participants, this flexibility creates a nuanced understanding of the often unnoticed, and sometimes highly complex, common phenomena present in the stories of the interviewees.

Another important factor of this project's research design is that it is based on the exemplar methodology. The exemplar methodology is used to study the individuals who exhibit a highly-developed version of the characteristic traits that are illustrative of a paragon within that population (Bronk et al., 2013), which helps us to understand more about the upper end of

development within the population of study. In the case of this study, I was hoping to

understand if, and how often, wealth inheritors experience the feelings of helplessness that seem

to be so prevalent among children in UHNW families, and what inner traits or outer experiences

– specifically those studied within the field of positive psychology – helped them to move past

the limiting and paralyzing experience of this helplessness into a life of autonomy, contribution,

and engagement.

   Finally, while the majority of data gathered for this project was qualitative and based on

semi-structured interviews, there is one quantitative component that was used as a validation

measure of participant well-being. As interview candidates for this research were either

nominated to be interviewed by a professional within my network, or they self-nominated having

met the established exemplar criteria (see *Appendix A* as well as the *Implementation of Research*

Design section below), it felt important to have a quantitative assessment that would validate the

nominator's perception that the interviewee did, indeed, experience a high level of well-

being. PERMA is an acronym that stands for the five components of well-being, as defined by

Seligman (2011) – Positive emotion, Engagement, Relationships, Meaning, and Accomplishment.

The quantitative measure that was administered was the PERMA Meter, a widely used and

validated five-question measure of well-being, as defined by PERMA. So, in addition to the

perception of the nominator, the PERMA Meter provided quantitative data for each individual

interviewee, serving to validate their well-being through this self-reported assessment.

Implementation of Research Design

   To use the exemplar methodology, it is necessary to define the criteria participants need

to exhibit in order to qualify for the research project. One method used to define exemplar

criteria is to rely on the relevant literature in concert with consulting experts in the field of study

(Bronk et al., 2013). I created an initial list of potential exemplar criteria based on the key texts

addressing the attributes of thriving rising generation family members (see *Appendix A*). I then

sent that list to four established experts within the UHNW advisory field and requested their

feedback. Based on these two methodologies, I defined the inclusion criteria for this study. For

this study, an exemplar demonstrates:

- Mutually satisfying/positive relationships

    o Is able to show up authentically in relationships in his/her life

    o Feels seen and appreciated in close relationships for skills and unique gifts he/she

       brings to the relationship

- Solid sense of self ("Knows Thyself")

    o Understands their talents/skills/gifts

    o Does not identify solely as someone with wealth or solely in relationship to the

       wealth creator or family name

- Personal agency

    o Feels that they are in control over their own lives

    o Demonstrates individual decision-making, even when it doesn't align with family

       decision-making

    o Able to dream his/her own dream

    o Ability to create impact or contribute in meaningful ways

- Grit

    o Demonstrates passion and perseverance towards a long term goal(s)

    o Able to work hard and tolerate frustration

    o Shows a "stick-to-itiveness"

The study design, along with these exemplar criteria, was summarized in a document (see

Appendix B) that was sent to all study candidates along with an emailed invitation (see *Appendix*

C). Through this recruitment process, I was seeking an interviewee cohort of 10-12 individuals

between the ages of 21 – 65.

In accordance with best practices for research involving human subjects, I submitted this

research design to the Institutional Review Board (IRB) of the University of Pennsylvania and

received approval to proceed. As a part of insuring an ethical research project, I requested all

participants to sign an informed consent prior to participating in the interview (see *Appendix D*).

The interview guide (see *Appendix E*) was developed based on the literature review of the

key constructs being studied – helplessness; growth mindset; grit; mastery-orientation, mastery

experience(s), and learned mastery; and positive relationships – and refined with the guidance of

my Capstone Advisory Board. The interview guide was sent to participants the day before our

interview.

The interview format was based on the semi-structured methodology – it was guided by

the questions in the interview guide, but allowed enough flexibility for participants to share

relevant stories and insights. Interviews were one-hour long and were recorded so they could be

transcribed.

The PERMA Meter (see *Appendix F*) was sent via email immediately following the

interview and interviewees were asked to respond with the completed assessment as quickly as

possible.

Finally, the qualitative data contained within the interview transcripts were categorized

by relevant themes, a process called coding. A software program called NVivo

(www.qsrinternational.com) was used to code and organize all of the interview data. NVivo is a

qualitative research tool that is designed to support researchers to organize their data so it is easier to ascertain important themes and trends.

While there are different approaches to determining the useful information buried within qualitative data, the approach I used was the phenomenological approach. Phenomenology uses the lived experience of small groups of individuals, captured via narrative, to understand the concepts of the phenomena that they have in common (Creswell, 2007). One of the key elements of the phenomenological approach is that it allows the researcher to reduce individual experiences within an area of study and distill those differences to a universal essence. Using this approach, it is possible to achieve research saturation with as few as two to 10 participants, all of whom participate in an extensive interview. Additionally, because this method focuses on distilling the interviews down to their core themes while keeping in mind the context of the whole, the process of working with this qualitative data is referred to as an explication, rather than as an analysis (Groenwald, 2004).

In order to code the data from the interviews, each concept – helplessness, grit, growth mindset, mastery experience, and positive relationships – was considered as its own phenomena. The coding process for each was iterative in that, as more detailed information about each concept emerged (e.g., stories illustrating that growth mindset was encouraged by parents or other trusted adult, or a story of an experience where a growth mindset was valuable), each phenomena was coded with more specific units of meaning. These more specific units of meaning were sub-categories of the parent phenomena category. A full list of the coding categories can be found in *Appendix G*. Ultimately, these units of meaning were clustered together in order to create a composite understanding of each phenomena. During the coding process, it was noted where themes began to emerge that did not align with the original

hypothesis and where themes began to emerge that did align with the original hypothesis.

Situation Analysis

As was illustrated in the stalled-out lives of the fictitious characters, Ben and Ellen McAllister, at the beginning of this paper, while it would seem that individuals raised in families with significant financial resources should sail towards lives of flourishing, in fact, many next generation family members report feeling dissatisfied with their lives (Blouin, 1996; Edwards-Pitt, 2014). This is in surprising conflict with our, and economists', assumptions that access to resources reduces stress and increases well-being (Kahneman & Deaton, 2010; Gladwell, 2013). As mentioned above, not only do inheritors often report feelings of isolation, self-doubt, fear of failure, lack of self-identity, lack of motivation, and a lack of meaning, they often also report a perceived – and often actual – lack of personal agency (Blouin & Gibson, 1995). In fact, yoked to their family of origin through common investments and estate structures such as trusts, I observe many of these next generation family members exhibiting signs of helplessness, such as depression, disengagement, and passivity (Maier & Seligman, 2016). This observation is corroborated with research by Luthar and Becker (2002) indicating that adolescents raised in high SES families have several domains of vulnerability, including increased symptoms of depression and anxiety, likely related to achievement pressure and feelings of isolation.

Many of these observations emerge from my work as a coach and consultant of UHNW families. I work with my client families to create a family environment where individual family members can thrive and the family as a system can flourish. The focus of my work is to support the growth of a family's human capital (defined as the unique attributes of the individuals in the family) and intellectual capital (defined as the knowledge and expertise held by each individual) (Hughes, 2004).   My work often consists of:

- Supporting families to create a clear purpose and philosophy for their wealth and the

    impact they want that wealth to have on their families and communities;

- Designing decision-making criteria that help them operationalize their philosophy in their

    day-to-day decisions regarding if and how they give to their kids and communities;

- Developing systems for effective communication between the generations;

- Bridging the gap between the skills and mindsets that parents want to see from their kids

    in order to trust that the family money won't ruin them, and the skills and mindsets their

    kids have actually developed in order to fulfill the hope that unearned wealth won't be a

    destructive force in their lives.

- Supporting parents to recognize when they are unintentionally hindering their kids'

    development (as was illustrated in the opening story about the McAllisters), and to help

    the parents develop the skills and awareness to support their kids' growth and

    independence.

My doorway into this work is through the next generation family members – helping them to

clarify what they want and need in order to thrive and then supporting them, and their family

system, to create the space and the systems that promote greater well-being.

Similar to the helpless condition dogs in the original learned helplessness experiments, it

is plausible that these feelings of helplessness are linked to the perception that they have little or

no control over their lives. The original learned helplessness research conducted by Seligman

and Maier (1967), concluded that animals that experienced a painful stimulus gave up trying to

escape that stimulus if they discovered they could do nothing about it. They had learned to

become helpless because their circumstances taught them that nothing they did impacted their

outcome. For inheritors, while there are often broader family system issues (which also need to

be addressed) that contribute to a helpless experience, some of the individually-focused skills and interventions from the field of positive psychology may offer a supportive path out of the dysphoria.

Hypothesis

The research of this Capstone paper is an attempt to uncover the path to thriving taken by rising generation family members who have successfully navigated these unique challenges in order to create a life of individual identity, personal satisfaction, autonomy, and engagement. While the challenges of the rising generation are manifold, there are pockets of excellence and thriving. By examining these exemplars' lives, we might learn how to create a set of best practices to support the next generation family members who struggle. The working hypothesis that I explored is as follows:

Helplessness → Learned Mastery = Growth Mindset + Grit + Mastery-orientation/Experience(s) + Positive Relationships

In other words, the hypothesis is that on the path from helplessness/passivity to learned mastery, rising generation family members cultivate a growth mindset, develop grit, employ a mastery-orientation and have had at least one mastery experience, and/or also experience close, positive relationships. My hypothesis is that rising generation family members who are thriving and satisfied in their lives will have, at a minimum, cultivated the above constructs during their development.

Definition of Concepts

Each of these concepts – helplessness, growth mindset, grit, mastery-orientation and mastery experiences, positive relationships, and learned mastery – have been studied and validated in the psychology literature and are defined below.

Learned Helplessness

The original learned helplessness research conducted by Seligman and Maier (1967) concluded that animals that experienced a painful stimulus gave up trying to escape that stimulus if they discovered they could do nothing about it. They had learned to become helpless because their circumstances taught them that nothing they did impacted their outcome. In fact, even after the experiments were over, these animals experienced ongoing negative outcomes such as the inability to exert effort in other challenging circumstances, depression, and compromised ability to fight disease (Seligman, 2011). Notably, however, a small subset of the experimental population never became helpless in spite of the experimental conditions. While the original learned helplessness research was conducted on dogs, Donald Hiroto (1974) later confirmed these findings in research conducted with human subjects.

The original learned helplessness theory was updated by Seligman and Maier (2016) when advances in neuroscience allowed for a more refined understanding of the neurobiological mechanisms at work during a helpless experience. As a result of these advances, it is now believed that helplessness is not learned, helplessness is actually the default state, and it is *control* (over one's circumstances) that is learned. In fact, both the early helplessness experiments and the more recent ones indicate that animals can be "inoculated against," or become psychologically resistant to, future helpless experiences (Seligman & Maier, 1967; Seligman, 2018). The original learned helplessness experiments showed that when the dogs were first exposed to an experience where they learned that they could control their outcome, in other words, they learned they had the ability for mastery, they were much less likely to experience ongoing negative outcomes (such as depression, anxiety, and disengagement) after their subsequent exposure to the helpless experiment conditions. Conversely, the animals that never

had the inoculating experience of control consistently experienced on-going negative outcomes after exposure to the helpless experimental conditions (Seligman & Maier, 1967). The current neuroscience-based research being conducted with rats corroborates this earlier finding – rats that have a mastery experience (where a rat learns that he has control overt his circumstances) become resistant to future helpless behaviors (Seligman, 2018). Extending this research to humans, one might conclude that it is possible for us to be taught that we can demonstrate personal agency in response to future bad events in order to change their outcome. This sense of mastery, or the ability to consider and try various actions in response to negative events, can help buffer against helplessness and its after-effects of depression, anxiety, and passivity.

Affluence can create a buffering effect from the typical challenges and growth opportunities that life inevitably offers up to individuals as they develop. Many UHNW parents, often with the best of intentions, shield their children from adverse and challenging situations (Gibson, 1994; Edwards-Pitt, 2014). Not needing to work for income can provide affluent young adults with an abundance of escape routes and easy exits (Blouin, 2002). Both of these situations can rob next generation family members of the opportunity to prove their capabilities to themselves. However, from the helplessness research, it is clear that adversity and struggle, in just the right doses, are essential to inoculating an individual against future helpless responses.

Growth Mindset

There are close connections between the constructs of learned helplessness and growth mindset (Diener & Dweck, 1980), and growth mindset seems to be a key link between helplessness and mastery.

A growth mindset is defined as the belief that a trait (like intelligence or resilience) is malleable and can be developed through hard work, good strategies, and thoughtful feedback and

instruction (Haimovitz & Dweck, 2016). Alternatively, a fixed mindset is the belief that traits

are fixed and cannot be changed. Research has shown that when work becomes difficult, youth

who have fixed mindsets may question their ability, stop trying (or avoid challenges), and

achieve less (Haimovitz, Wormington, & Corpus, 2011). Those who have a fixed mindset tend

to have an urgency to prove themselves – in the classroom, in relationships, and in their chosen

careers – but only when they are guaranteed a confirmation of their abilities (Dweck, 2006).

Through this behavior, they are seeking a confirmation that whatever trait they have a fixed

amount of is enough to be successful (Dweck, 2006). A fixed mindset could be a particularly

challenging liability to next generation family members when the bar for success has been set so

high and their likelihood of ever "measuring up" is limited. By adopting a growth mindset –

building the belief that important traits like intelligence, grit, and resilience are malleable and it

is possible to grow them – many rising generation family members might cultivate the ability to

enhance traits that support their long term thriving. Additionally, research indicates that the

difference between helpless children (who view failure as insurmountable and attributable to a

lack of ability) and mastery-oriented children (who view failure as surmountable and direct their

attention to the attainment of new solutions) is the degree to which they perceive their failures to

be avoidable and their successes to be replicable (Diener & Dweck, 1980). A key difference

between the two orientations – helpless versus mastery – is the presence of the belief that skills

and attributes can be learned with effort and time. A growth mindset is a foundational skill that

enables individuals to stay engaged in the learning process while they build skills towards

mastery.

Grit

One important strength that can be enhanced with a growth mindset is grit. Grit is defined as maintaining passion and perseverance over years while pursuing long-term goals, regardless of the inevitable set-backs, failures, adversity, and plateaus in progress (Duckworth, Peterson, Matthews, & Kelly, 2007). A growth mindset supports the cultivation of grit by aiding individuals to view obstacles and set-backs as learning opportunities, rather than signs of failure, and thus helps them to maintain focus and effort over time. Many of these next generation family members can be insulated and protected for most of their lives and are not always encouraged to become fully responsible and autonomous. As a result, they fail to fully grow up because their abundant wealth separates them from engaging in the inevitable challenges, problem-solving, and self-confidence-building opportunities of life (Gibson, 1994). Ultimately, this separation prevents them from building grit. Grit is cultivated over time and is strongly correlated to achievement, and by extension, to mastery experiences. The very process of approaching a goal with grit results in the building of skills over time (Duckworth et al., 2007). Gritty people have a greater depth and refinement of skills in the domains in which they exhibit grit, simply because they have persevered through setbacks and ultimately invested more practice hours in their area of passion. By encouraging next generation family members to identify an intrinsically-motivated long-term goal, and pursue it with focus, they can build this essential strength that supports long-term thriving.

Mastery-orientation, Mastery Experiences, and Learned Mastery

The benefit of pursuing a growth mindset and cultivating grit and is that they both work together to support individuals in the pursuit and engagement of mastery experiences, which serve to build one's confidence in one's abilities over time (Bandura, 1977). As mentioned

above, when faced with challenge or failure, mastery-oriented children are directed towards the attainment of a solution, rather than focusing on the cause of failure (and, in fact, they often don't even perceive themselves as having failed) (Diener & Dweck, 1980). Mastery-oriented individuals are more likely to stick with a challenging task, building the very important belief that they are capable (Bandura, 1977).

This belief in one's capabilities is called self-efficacy (Bandura, 1977). The self-efficacy theory advances that it is people's belief in their capabilities to create a desired outcome that is most important in determining which behaviors they choose and the depth of their perseverance in pursuit of that outcome. According to James Maddux (2009), the growth of self-efficacy is a life-long pursuit, starting in infancy. During early life, self-efficacy beliefs take root as a baby's understanding of language increases and their capacity for self-awareness and personal agency increases. Self-efficacy beliefs grow when caregivers are appropriately responsive to the child's actions and foster the child's personal agency by encouraging exploration and mastery of his or her environment. Research focusing on the behaviors exhibited by parents of mastery-oriented children indicates that parents can have a significant influence on the mastery- versus helpless-orientation of their children (Hokoda & Fincham, 1995). Mothers of mastery-oriented children socialize their children's achievement-motivation by how they respond to, and re-direct, their children during challenging experiences in an effort to keep them engaged and problem-solving. Self-efficacy beliefs can continue to grow through the adult lifespan through a number of intentionally-designed and actively-pursued activities, such as performance (seeing times when one has been successful in the face of challenges); vicarious experience (using video or modeling films to help individuals imagine a new behavior); verbal persuasion (replacing unproductive beliefs and attitudes with more adaptive ones); physiological and emotional states (learning to

reduce emotional arousal when attempting new behaviors); and imagined experiences (imagining one's success) (Maddux, 2009). Additionally, research indicates that when self-efficacy is built in one domain of an individual's life, it is likely to transfer to higher degrees of success in other domains of their lives (Bandura, 1982). Therefore, engaging in mastery experiences that build self-efficacy, and recognizing one's intrinsic ability towards learned mastery in one domain, can have a ripple impact into other domains of an individual's life.

Positive Relationships

Research from the field of psychology indicates that close relationships are strongly linked to both physical health and emotional well-being (Gable & Gosnell, 2011). Individuals who report having a greater number of social ties also report having higher levels of well-being, regardless of the presence of life stressors (Cohen & Willis, 1985). In fact, an active support system seems to effectively buffer individuals from the negative effects of stress when stress is present. Additionally, more recent research has indicated that, as important as it is for people to have social resources to support them when things go wrong, it is also important for people to be able to share when things go right (Gable, Gonzaga, & Strachman, 2006). The process of sharing good news and receiving attentive and engaged feedback is referred to as capitalization. It's been shown that when individuals have a capitalizing experience, they experience positive affect above and beyond the positive event itself (Gable & Gosnell, 2011), which expands the positive impact of that experience. Positive close relationships also aid in important areas of personal development, including the pursuit of the ideal self (represented as either clearly defined goals or a collection of aspirations and dreams) (Gable & Gosnell, 2011). It is in the safe territory of positive close relationships that individuals are able to explore and expand themselves, finding new and broader definitions of self.

Many inheritors describe feelings of isolation (Gibson, 1994), having few to no positive close relationships where they can fully be themselves. This isolation is often compounded, in part, by internal family norms to not discuss the family wealth with others, as well as external negative stereotypes many people hold with regards to wealthy people (Blouin, 2007) and the misconception that the more money you have, the happier you are. And, while most individuals raised in affluent families describe having all of their material needs and most of their material wants met, many also describe painfully mixed messages about love, money, and relationships (Blouin, 2007). Close relationships can expose basic questions of worthiness such as, am I loveable? For those who have the experience of unearned wealth in their lives, these questions become even more complicated as many inheritors claim to question whether their friends and romantic partners are attracted to them as a person, or if they are attracted to their money (Blouin, 2007).

Summary of Definition of Concepts

Affluence can create a buffering effect from the typical challenges and growth opportunities that life inevitably offers up to individuals as they develop. Many UHNW parents, often with the best of intentions, shield their children from adverse and challenging situations (Gibson, 1994; Edwards-Pitt, 2014). Not needing to work for income can provide affluent young adults with an abundance of escape routes and easy exits (Blouin, 2002). Both of these situations can rob rising generation family members of the opportunity to prove their capabilities to themselves. However, from the helplessness research, it is clear that adversity and struggle, in just the right doses, are essential to inoculating an individual against future helpless responses. Facing challenges also supports their engagement with self-efficacy-building – and learned mastery-promoting – experiences (Seligman, 2018). Each step along this path of development

from helplessness to learned mastery – building a growth mindset, developing grit, engaging in

challenging work that leads to mastery-experiences, and the presence of positive relationships –

are important components on the path to thriving that distinguishes rising generation family

members from next generation members. The combination of each developmental step creates

an empowering situation that supports individuals' intrinsic belief in their abilities and a

confirmation that they *can* exert control, and direct the outcome, of their own lives.

<div align="center">Results and Data Explication</div>

The results of the exemplar interviews indicate that there are indeed common experiences

among the rising generation family members who have successfully navigated the potential

pitfalls of unearned wealth to create lives of individual identity, personal satisfaction, autonomy,

and engagement. The working hypothesis that has formed the framework for this inquiry is:

<div align="center">Helplessness ➔ Learned Mastery = Growth Mindset + Grit + Mastery-
orientation/Experience(s) + Positive Relationships</div>

The goal of this study was to help identify the phenomena – the internal mindsets and external

support – most consistent in the lives of exemplars that differentiate the rising generation from

the next generation of inheritors.

Description of Sample

The 12-person sample of rising generation exemplars consisted of eight women and four

men. The age range for the sample was 32 – 65 years old. The sample consisted of six

participants who identified as second generation (G2); two that identified as third generation

(G3); two that identified as fourth generation (G4), one of which self-described as a G4/G5; and

two that identified as fifth generation (G5), one of which self-described as G5/G6. It is not

uncommon for next generation family members to identify as two different generations, such as

G5/G6. In affluent families, when the initial wealth creator has a son or daughter who grows the

family wealth significantly larger (usually through the creation or expansion of a business), it is

common for the family to recognize their generational relationship to both the original wealth

creator and also the person who increased the wealth. Finally, seven of the participants self-

reported that they did not have any control over their inherited assets; two self-reported that they

had total control over their inherited assets; and three self-reported that they had "some" control

over their inherited assets (see *Figure 1* for full demographic data of sample).

Participant #	Gender	Age	Which Generation in Relation to Wealth Creator?	Control Inherited Assets?
1	F	32	G2	No
2	M	42	G3	Some
3	F	34	G5/G6	No
4	M	48	G4/G5	No
5	F	51	G2	Some
6	F	30	G2	No
7	F	51	G2	No
8	F	37	G2	No
9	M	48	G4	Some
10	M	34	G3	Yes
11	F	65	G5	Yes
12	F	44	G2	No
TOTALS	F = 8 M = 4	Range: 32 - 65	G2 = 6 G3 = 2 G4 = 1 G4/G5 = 1 G5 = 1 G5/G6 = 1	No = 7 Yes = 2 Some = 3

Figure 1: Demographic data of exemplar sample

Coding: Discerning the Essence of the Experience

The goal of my qualitative analysis was to discern the essence of the common

experiences, and any notable outliers, of the interviewed exemplars. When using the

phenomenological approach to data explication, it is important to identify the phenomena that are being explored (Creswell, 2007). The overall question being explored for this cohort of interviewees was whether certain psychological factors were present to enable thriving in the presence of unearned wealth. However, it was each of the constructs – helplessness, growth mindset, grit, mastery-orientation/experience(s)/learned mastery, and positive relationships – that served as the individual phenomena of inquiry for the study. By understanding the universal essence present in each of the individual phenomena (i.e. the constructs), I would hopefully be able to construct a more detailed understanding of what experiences support rising generation family members to thrive.

The goal of phenomenology is to reduce individual experiences within a common phenomenon into a universal essence of the experience (Creswell, 2007) -- a "grasp of the very nature of the thing," (van Manen, 1990, p. 177). It is a methodology that attempts to extract the very essence of the common experience. Based on the data coding and sorting steps outlined in the Methods section (see Appendix G for the complete list of coding categories), the outcome is to create a composite description – or a gestalt (Groenewald, 2004) – that captures what the population of study experienced and how they experienced it (Creswell, 2007). To that end, each of the study constructs, as well as emergent themes from the research interviews, are presented in a descriptive paragraph, including representative quotes from the interviews. Any outliers to the universal crux of the experience are also noted. The interview consisted of four context-setting questions, six phenomenon-related questions, a question on the advice the interviewee would give a younger next generation individual, and three demographic questions. A full interview guide is provided for reference in *Appendix E*, and the relevant interview question is also provided in italics at the start of each summary section below.

Synopsis of Research Findings

This section will highlight the composite summary of each phenomenon explored during the interviews, as well as the context-setting themes and the one major theme that was not a part of the original interview guide, but became an important context-setting question. As noted above, the constructs embedded in the working hypothesis are the phenomena that were studied in an attempt to understand what factors are present in the lives of rising generation exemplars. There were also two interview questions that were intended to set a context for the lived experience of the interviewees:

- *What was the most challenging aspect for you of growing up in a family of wealth?*

- *To what do you attribute your ability to overcome that challenge?*

And, finally, there was one important emergent theme that consistently came up during the interviews, which ultimately resulted in an additional question being added to the interview guide:

- *Did you identify as wealthy growing up?*

The synopsis results for this emergent theme, each of the context-setting questions, and phenomena of inquiry are explored below.

Emergent theme: identified as wealthy growing up. *Interview question: Did you identify as wealthy growing up?*

There was a full spectrum of experiences regarding how rising generation exemplars identified themselves while growing up, with the majority of interviewees falling into one of four types of experiences. On one side of the spectrum, there were individuals who knew their families were wealthy and they identified as "a person of wealth;" there were individuals whose families were wealthy but whose parents intentionally chose lives of simplicity; individuals

whose families were wealthy but whose parents pretended to have very little money; and

individuals whose families didn't come into their wealth until the interviewed individual was a

teenager or a young adult. The interviewees whose parents were wealthy and intentionally chose

lives of simplicity, and those whose parents did not create significant wealth until the

interviewee was a teenager or early adult, expressed the most positive memories of their lived

experience growing up, such as captured by this comment:

> *"[My mom] went off and just decided she was going to do her own thing. She met my father and they moved out into the country. So for me growing up, it was very different than my cousins who, I would say, suffer from affluenza. ...we grew up with chickens and goats and she moved out to the country with my father and rejected the whole society thing."*

The interviewees whose parents chose to pretend they didn't have money expressed the most

pain and confusion about their growing up experiences, as evidenced by the interview passage

below:

> *"[Because of my grandfather's wealth] we got to fly on private planes, and we got to spend time in some amazing places and go to really nice clubs. ... so everybody [in the family] had money but we just had this kind of pretend thing where my mom acted like we didn't. ... My biggest challenge was trying to reconcile how my mom treated it with what I knew she had. ... [My mom] wouldn't buy new clothes, she'd go buy used clothes that had stains on them and stuff, literally at the thrift store, and that's what we would wear. To me it was really difficult because I knew that we had more, but she wouldn't spend it. So to me it was always super confusing, [trying to understand]what money represented."*

Finally, the interviewees who were raised in families where their wealth was both apparent to

them and others described that their negative experiences were more related to other people's

perception of them because of their family wealth (an experience that will be expanded on

below), rather than having a negative experience with wealth inside their own families.

Creating context: challenges of growing up with wealth. *Interview question: What was the most challenging aspect for you of growing up in a family of wealth?*

While there were a range of challenges named by the interviewees, they were in overarching agreement that there were indeed challenges to being a member of a wealthy family and that those challenges were unseen or dismissed by others and by society. The most common challenges to growing up with wealth named by these rising generation exemplars were: having parents who were busy or preoccupied with business; wanting to "pass as normal" (or not appear wealthy); other people's projections (both positive and negative) of what it must be like to have family wealth; having to govern family assets with other family members; their perceived high bar for success; and feeling like an imposter.

The challenge of having busy parents is underscored by the research indicating that adolescents raised in higher SES homes tend to feel isolated from their parents (Luthar & Becker, 2002) and was reflected in this interviewee's comment:

> *"... I didn't really understand what was going on [with my parents' business], and so I was probably more resentful as a kid. My mom had this really bad habit [of working] on the dining table, which was a part of the same room as the TV was in. As kids we just wanted to watch nighttime TV, but we couldn't because my mom was always on a conference call – she was always on the phone. I kind of understand now that she just liked being around the family and [I imagine] it would have been awful to have to live a separate life in another room. But I didn't get it then."*

Another common challenge named was that of wealthy children trying to "pass as normal." And, interestingly, not only was the theme common, but the phrase itself – "passing as normal" – was used repeatedly during the interviews:

> *"You're trying to pass… You try to just act normal, be normal, shrug it off. "Oh no, that's no big deal, that's not me," whatever. Then you're denying your own identity, so you have to then, at some point, teens, 20s, and maybe even later, you really have to wrestle with that. You begin to build a personal image of yourself in the world and you're telling yourself a story, "I'm not different, I'm the same. I'm just like everybody else," because I want to fit in, I want to be like them."*

Also, a common challenge was dealing with other people's projections of what it must be like to come from a wealthy or well-known family:

> *"You have that added layer of other's expectations or prejudice… [even though]that has nothing to do with you as an individual, only with your relatives and whatever reputation they've built up rightly or wrongly, and images [of what being wealthy would be like]in the minds of people in the community."*

Additionally, having to continue to work with, and make decisions with, your family even when you're an adult was named as a challenge or stressor:

> *"[As] the [family] gets bigger, [and the people involved] didn't necessarily grow up together, [so there is] more diversity, … it can be intimidating … even within your family. …[It's the] the family you're stuck with and you've got to see them a lot. If you're a family of wealth, then you have to work together and you do all this stuff that normal families don't [have to] do."*

Finally, the last two challenges that were commonly named were their perceived high bar for success:

> *"[When there is so much success in your family, the feeling can be] 'Wow, this is the bar I've got to sort of hit for my life, right?'"*
>
> *"…whether or not you're closely related to the wealth generator, [the people in these families] tend to be real high achievers. High standards of conduct, high standards of a lot of things."*

And the feeling of being an imposter:

> *"I feel like an imposter sometimes because everyone else thinks that I can do whatever I want, [which] doesn't allow me moments to question [myself] … but [they] believe in me more than I, probably, believe in myself."*

While most interviewees claimed that it was a privilege to have access to wealth and the opportunities that wealth creates, there was also an acknowledged pain that there is a shadow side to wealth. For many of the interviewees, one of the shadows of wealth is the common experience of having few safe places in which to they can acknowledge and explore the challenges they experience.

Creating context: overcoming the challenges. *Interview question: To what do you attribute your ability to overcome that challenge?*

Overall, cultivating a sense of individual identity was the most powerful tool that rising generation interviewees claimed to help them overcome the challenges of being raised with wealth. The most common paths to creating a sense of individual identity were creating geographic distance between oneself and the source of wealth, ensuring that one had financial (and decision-making) autonomy, integrating the identity of unearned wealth productively, and growing up within a family ethos of hard work.

The importance of creating geographic distance was captured in these comments:

> *"… one thing that has really helped me in the past has actually been being in a different place. Having geographical distance is big."*
>
> *"[I moved so that]I don't have to live in that community where [I] have all this added [pressure from my family name]. I can be relatively anonymous within the community in which I live."*

The value of creating financial or decision-making autonomy was captured in these comments:

> *"I think that so often in families with significant wealth, decisions are made for you and there's no ability to be independent unless you're off on your own creating your own success. [In my family], everybody had to do what my grandfather wanted them to do and they had to behave certain ways around him."*
>
> *"For me to hit "stop" and walk away, blew everyone's mind... people [in my family] still don't know ...how to process that information."*

And learning to find an identity that allowed for the integration of unearned wealth into their lives was illustrated in the comments by these two interviewees:

> *"...at first it was shocking and then essentially I realized, this was not gonna be a one time thing that this money came to me, but more something that I would be living with for the rest of my life, and that was something I needed to face into and meet. And I really felt like somehow there must be a higher purpose in that, that there was some reason that I had been given this challenge and gift and that my life was at least going to be in part, about growing into that."*
>
> *"I find a lot of people in that situation at some point have to figure out how to embrace and bring into themselves and their own self-identity, something about that legacy and connection with those people, that history, that story, that reputation and those funds, to fully be whole…"*

For many, there was also a strong family message passed down about the norms of the family with regards to tenacity, work ethic, and achievement. A common sentiment was that of a set of standards or beliefs that was woven into the fabric of the family – like, "we work for what we achieve" or "we have been given much and our job is to find ways to be of service." What was clear was that the tools to overcome the challenges of living with unearned wealth were both modeled within the family system, as well as internally-generated by the individual and the life experiences he or she chose.

Helplessness. *Interview question: Sometimes family wealth can be de-motivating for rising generation family members. Did you ever feel stuck or unmotivated to pursue your own path? What was that like? What supported your ability to get "un-stuck"?*

One of the surprises of this research is how helplessness showed up – or didn't show up –
in the lives of these exemplars. My hypothesis was that each of these rising generation family
members would have experienced a sense of helplessness – the feeling that nothing they could
create in their lives would be more magnificent than what the wealth creator in their lives had
created, or impact their financial situation significantly, so why try? And, my hypothesis was
that they would have learned to overcome this helplessness through cultivating a growth mindset,
having grit, engaging in mastery experiences, and experiencing close, positive relationships.
What became clear through the interviews was that these rising generation exemplars had one of
two experiences with helplessness: they either never felt helpless because getting stuck in
helplessness wasn't an option, or if they did experience helplessness, they ensured the experience
was short-lived. For those that never felt helpless:

> *"I don't think I did [feel stuck], because it was always clear in my family that there was an expectation that you work, and work wasn't just a matter of money. And I always had the ambition around it."*
>
> *"You know, I never did have that feeling. I think it's because my reaction to all of it was to go off on my own and to create something… ... So I would say it didn't create a feeling of being stuck, it created a desire on my part to really break free and be off on my own. So it's kind of the opposite, I think."*

Or, if they ever did feel helpless, they didn't allow themselves to stay there for long:

> *"I have felt stuck. I think part of it is just not accepting being stuck."*
>
> *"[Many of my extended family members] have just accepted the family's money.   They haven't done much with their lives and to me that feels like settling. Do I fantasize about just [accepting] being provided for? Absolutely. Do I know it would actually be satisfying? No. It absolutely wouldn't and I would, probably, suffer from more depression and anxiety and all those traits that come along with not living while you're here."*

This interview question wasn't designed to elicit stories of early life experiences of adversity and learning to overcome that adversity. However, given the most current understanding of helplessness – that it isn't actually learned, but that it is the default state and the recognition of the control over one's circumstances is what is learned (Seligman & Maier, 2016), and that early exposure to adverse circumstances might have an inoculating effect on future helplessness (Seligman & Maier, 1967; Seligman, 2018) – it may be that these exemplars each had an early exposure to adversity which they learned they could overcome; that they did not have early life adversity; that regardless of conditions, they were not susceptible to helplessness; or that their families used an explanatory style that did not characterize adversity or failure as such.

Growth mindset. *Interview question: Some people believe that traits like intelligence, grit, and resilience are "fixed" and we all have to do what we can with what we have; other people believe that these traits can be expanded through practice, effort, and the willingness to accept and integrate constructive feedback. Which one of these resonates with you? Has this always been the case?*

There was a split between participants who felt that they had always approached their life with a growth mindset and those who could name a specific time in their lives when they began to recognize that they had the ability to intentionally grow their skills and abilities. However, the important take away from the exploration of this phenomenon is that, universally, interviewees named that a growth mindset is how they approach their lives today. For those who had a moment in time when they pivoted in their thinking and began to adopt a growth mindset, it was generally a parent or trusted relative who planted the seed for change:

"... [in] high school, I partied a lot and didn't get great grades for a little period of time. ... my dad who came from a good family but was pretty much a self-made person, had some real heart to hearts with me and said, "Get your [expletive] together" [and that had an impact on me]."

"... my uncle played an important role to me [because of some challenging family experiences in my teenage years] which, as a teenager, made me uncomfortable and angry. And so I do remember my uncle sitting me down at one point and giving me a lot of feedback about how I was showing up in the family and gave me some tools of how I could be better and I think that was really hard to hear, but I had such great respect for him that it meant a lot that he even took the time to give that feedback."

And for those who had adopted a growth mindset early in their lives, they learned to deal with adversity and falling short of their goals, so neither situation felt paralyzing in the ways they are often described to be by inheritors:

"Absolutely, my parents raising me as an athlete, so I had adversity. I worked in an individual sport, but with a team. My competitive training helped me [learn to] overcomes setbacks."

"...resiliency and grit [are] about attitude, because when you fall down and you fail, you can look at it and say "I'm no good... why did I even take that risk? I'm embarrassed, people are laughing at me." Or you can say, "You know what? I gave it my best," and I know that there are going to be lots of times that I try something and I fall down and I'm gonna be embarrassed... but if I have my goals and my vision set on something that I aspire to, it's gonna require that I continually try to learn how to stretch, and stretching is going to result in failing, and those are the times that I'm gonna learn the most. I think a lot of people, certainly myself included, believe that I've learned a lot more through failures than I ever have successes, and I think that attitude about resiliency and grit is so important, and I think you have to learn that."

So, the importance of cultivating a growth mindset is clearly advantageous and is in alignment with the research on growth mindset and the creation of successful outcomes (Dweck, 2006). Additionally, it is useful to note that, based on these interviews, learning to deal with adversity and the willingness to take risks and tolerate failure earlier in life support the adoption of a growth mindset.

Grit. *Interview question: Tell me about the biggest goal you've ever achieved. What supported your ability to achieve it?*

Grit, or the ability to persevere over a long time in pursuit of a meaningful goal about which one feels passionate (Duckworth et al., 2007), was another phenomenon that was cited as universally important on the path to thriving. Some describe grit as a quiet pursuit of a goal:

> *"I just nibbled away at [the goal] didn't stop until things were different. I watched that [growth] in myself as I've become more self aware of that creative process in me. [What I focus on is] birthed within me and is inner directed."*

Others didn't start on their path with the intention of pursuing it with grit, but discovered along the way that they were more tenacious than they expected:

> *"I never thought I'd make it [traveling around the world] the whole year. I committed to a whole year and I was like, "Well, if I make it two months, that's amazing." And then I extended it. I mean, it's just wild."*

Every interviewee described at least one gritty experience that influenced their belief in their ability to follow their own path. For many, a key element was engaging in something that their family name or family connections couldn't influence – it was a way to prove their own mettle to themselves:

> *"For me, it was passing the bar exam. I went to a prep school for high school and boarding school, and I went to college, and even the graduate school I got into, you could say there might've been some help from family reputation at any of those stages. I don't know how much there was, maybe none at some of them, but maybe some. If I had any doubts, the bar exam was the one thing that the graders weren't going to be looking at anything except the answers I put down on the paper. [My passing] that [was] all me. When I finished it, I thought, "I think I could do anything. Anything I decided to put my mind to, I really think I could do it. Give me enough time, I'll put in the effort, and I'll get there eventually." I just felt like I wished everyone could have that kind of encouraging experience."*

The most common positive impact from pursuing a goal with grit was the building of self-belief, or self-efficacy, as captured in this comment:

> *"I was basically saying to myself, I wonder how far I could go if I really tried, and it was kind of a self-fulfilling process because you start getting this positive feedback, and it encourages you further, and then you start feeling better about yourself, and then you get more positive feedback, and then the hard work becomes something that becomes a habit. It's something that you really enjoy, and it's this kind of flywheel effect, and that's what happened to me as an undergrad, and it really taught me that whatever, I mean it's kind of cliché, but whatever I put my mind to there was a good chance that I could make pretty good progress towards it."*

Finally, there was a common connection between the stories of grit and those stories illustrating growth mindset. It seems that for many of the interviewees, a growth mindset was a predecessor to their ability to pursue a goal with grit. And, while parents were often cited as being supporters during the pursuit of a big goal, the goals named were always ones that had been generated solely by the interviewee.

Mastery-orientation/mastery experiences/learned mastery. *Interview question: Tell me about a domain or area of focus where you feel like you have comprehensive knowledge or a high level of skill. How has this impacted you?*

While some of the interviewees described early life experiences of mastery via athletics and some described mastery experiences from their adult lives, the resounding theme was that increased confidence was a result of having a mastery experience:

> *"Well, I think it's given me a lot of confidence in terms of ... managing people and processes and really understanding where people are coming from and how to put them in the best role and make them successful."*

> *"I'm very self confident as far as the business side of it, in the sense that when I know I like something or it's working I'm gonna run with it and I'm gonna go hard at it and give it my best."*

> *"I definitely have more confidence because of the business. Because no one has been alongside, it has made me stronger."*

"Both of these goals have given me the confidence to know that I can figure most things out. I'm confident based on past experiences that I can take this leap, I can jump off this ledge, because I have done so confidently before."

Similar to interviewees' experiences with their feelings of success because of pursuing a long-term goal, they often described the building of internal momentum when describing what it was like to pursue mastery in an area of interest. The areas of mastery described were far-reaching – from business, to athletic achievement, to parenting, to the pursuit of self-knowledge – but most interviewees named a domain in their lives where they felt highly competent. It was also common for interviewees to name one area of mastery (for example, in athletics) and link it to their self-efficacy in pursuing mastery in other areas of their lives. And, while the interview question was not designed to elicit clarity on where the motivation to seek mastery came from (e.g. if a mastery-orientation towards goal-pursuit was supported by their parents), research indicates that parents can have a strong impact on their children's helpless- vs. mastery-orientation by how they engage with their children during problem-solving situations (Hokoda & Fincham, 1995), as well as the types of mastery-encouraging experiences (such as athletics or playing an instrument) in which they support their children to engage.

Positive Relationships. *Interview questions: Many people who have been raised with wealth say that friendships and romantic relationships can be challenging because it's not always clear what is motivating the friend or romantic partner to seek a relationship. Have you ever experienced this? What were the circumstances? Think of a relationship you have now where you feel seen and appreciated for who you are rather than what you have. What are the characteristics of that relationship that make it so positive?*

The interview question was designed to explore if the interviewees had experienced positive, close friendships growing up and if they experience them now. As was mentioned earlier, not all of the interviewees' families had wealth when they were growing up. For them, this question was not as relevant in the context it was being asked, which was focused on if wealth had obscured their ability to feel authentically seen and appreciated in relationships. For the interviewees who did have wealth growing up, each could name at least one, if not many, good friends. Though, most of the interviewees in this sub-set did describe a feeling of being guarded with the majority of their peers:

> *"I think that I've been really lucky to have really thoughtful and honest people around me. ... I know that in a lot of ways I've been guarded in the past. So far I think I've been really lucky."*
>
> *"I think what it made me think of was growing up and having people razz me or worse for being the rich kid, that sort of label. I didn't know where that was coming from, what information they had and whatever. But I grew up in a community where my family was somewhat prominent but I went off to boarding school for high school. From then on, I was in a community where it didn't really matter so much, where I wasn't known, labeled, whatever. So that was really great, and it's funny because I really wanted to go to this school and that wasn't a reason. That was not something I was thinking about at the time. Looking back, I see that that was really nice."*
>
> *"I know [that relationships] can be problematic, but once I started to think about it, it really never has been an issue for me. ... I think that, in part, it's because I never over-identified with the wealth – it wasn't a part of my identity. "*
>
> *"[This friend of mine], she's known me since the day I was born. So there's nothing to necessarily hide or shield because we grew up together and so we walked through life together and she has a similar situation. Our grandmothers were each other's mother's godmothers. Like three to four generations of not bloodline, but family relations. So there's a deep sense of trust from the go that I never had to work at building."*

Another common theme was how other's perception of their wealth changed how people acted towards them in negative ways:

"I remember one boyfriend, like my first love from college, coming home with me and he grew up [in a blue collar family] and we started to drive up my driveway and he was like, "Stop. Oh my God, you're not the person I thought you were." And it was like one of those perfect moments when you have the exact right comeback at the exact right moment, and I remember saying to him, "John, nothing about me has changed. I have always known that I come from this kind of wealth. The only thing that's changed in this moment is your perception of me." And that ended it right there."

"When I turned 21 I received some money and I went and I bought a house. It was a nice house, and it kinda became the hangout for the [athletic] team and nobody else had a house at that point. I think I naturally questioned, because that's the first time I really ever had money, and it wasn't earned money [it was from my grandfather passing away]. I think it's at that point that I started to recognize those feelings of "I wonder who's hanging out with me because of the things that I have?" I paid for a lot of the things. I took people on camping trips and kind of paid for all the stuff. I think some people were friends with me for genuine reasons, and I think other people enjoyed the ride, and that's when I first recognized those feelings."

And, considering how instrumental close, positive relationships are on our well-being (Gable & Gosnell, 2011), it is not surprising to have heard that the current presence of positive relationships in the interviewees' lives was a universally-expressed theme:

"[My longtime friend and I] have been able to be there for each other in very real ways. ... I also have deep loving relationships with people that I've met more recently, but as far as the one to help "bury the bodies" and [she is] always going to be there. There was never a question [as to her friendship]. So, I feel really lucky to have had that from go without a question in my mind ever about [her] intentions, or [feel like] I need to hide something from her, or I can't talk to her about these subject matters because she wouldn't understand, or I'll sound like a [jerk], or whatever it is."

Finally, while all of these exemplars had a least one person in their life with whom they were fully transparent about their wealth and with whom they felt unconditional friendship, they seemed to come from two different approaches when it came to being transparent about their money with the friends outside their immediate circle of trust. One approach was to establish friendships in situations where their wealth wouldn't be apparent (like to move to a new geographic place and not disclose their background); and the other was to become so

comfortable with their wealth – and to see themselves as much bigger than their family money – that the wealth itself became almost a non-issue in their relationships because wealth played only a small role in their own self-identity.

Final thoughts: advice. *Interview question: What advice would you give a late-teens or early-20s rising generation family member on how to overcome the potential pitfalls of family wealth and create a path to thriving?*

While I never intended to code the data from this last question, I was interested to ask it because my ultimate hope is to support affluent parents with a more structured roadmap for how to parent in the presence of wealth, and to support rising generation family members to become exemplars on their path to thriving in the presence of unearned wealth. The answers to the question regarding the advice each of these exemplars would give to a younger rising generation spanned from pragmatic to deeply heartfelt. A complete catalog of each interviewee's advice is in *Appendix H*, but a few examples are below:

"My advice would be to make yourself proud. There is so much to be said for how often we're trying to make other people proud, and there is something to be said for setting small goals, learning every day – how you create a wealthy/rich life that has nothing to do with money. This is how you make the path to feeling good about yourself, and then the money can be a tool."

"I do think some element of self-exploration is important and to have that as a sort of intentional project that you undertake, but I also think limiting that and just getting out in life, getting out of your comfort zone and working, getting a job and a real career and pay your rent, pay for your car insurance, I think is important, just going out and doing that and try to build, even if you come back to say a family business or you come back and manage the wealth, I just feel like people that have gone their own path and built their own career, even if they have wealth, are able to create an identity on their own."

"I think this kind of new engaged commitment that I have for myself about doing things that are mutually nourishing. I think that also applies in every kind of walk of life. Do the thing that you're passionate about. Do that thing that you're excited about. That same psychotic woman [I referred to earlier] also said to me, "There's a reason they call it work, bitch." And that was also helpful. Yeah, it's not gonna be great every moment of your life, but if you can find the things that nourish you that you feel excited about, and the people and the relationships. And if you focus

more about how you can be a contribution to the world instead of competition and comparing and what you're not, I just find that that makes for so much more happiness. And really to look at what you are good at, as opposed to trying to make yourself something else."

PERMA Meter: Validation of Thriving

Finally, the PERMA Meter is a quantitative component that was used as a validation measure of participant well-being. Interview candidates for this research were either nominated to be interviewed by a professional within my network, or they self-nominated having met the established exemplar criteria (see Methods section). The intention was to complement these nominations with a quantitative assessment that would validate the nominator's perception that the interviewee did, indeed, experience a high level of well-being. The PERMA Meter includes questions addressing the five key components that comprise overall well-being: Positive emotion, Engagement, Relationships, Meaning, and Accomplishment (Seligman, 2011).

On the whole, interviewees scored average (a score of three) or above-average (a score of four or five) in all components measured with the PERMA Meter, though it is not necessary to score above average in all five PERMA measures in order for one to be considered thriving. Results from this measure are presented in *Figure 2* below and confirm that the individuals nominated for this study have self-reported well-being scores that indicate that they are, indeed, thriving in their lives.

	P	E	R	M	A	Mean
Interviewee 1	3	4	4	4	4	**3.8**
Interviewee 2	5	4	5	5	5	**4.8**
Interviewee 3	4	4	4	4	4	**4.0**
Interviewee 4	4	5	5	4	4	**4.4**
Interviewee 5	5	4	5	4	4	**4.4**
Interviewee 6	4	5	5	4	5	**4.6**
Interviewee 7	4	4	4	5	4	**4.2**
Interviewee 8	4	3	5	4	4	**4.0**
Interviewee 9	4	3	4	4	4	**3.8**
Interviewee 10	4	4	4	4	4	**4.0**
Interviewee 11	4	4	4	4	4	**4.0**
Interviewee 12	5	4	5	4	4	**4.4**

Figure 2: PERMA Meter scores for interviewees

Summary of Insights from Data

It was interesting to uncover that, like the characters Ben and Ellen McAllister, while

many next generation family members express behaviors of helplessness, these exemplars did

not have such experiences on their path to thriving. So, while the original hypothesis was that

thriving rising generation family members must have overcome helplessness in order to

experience flourishing in their lives, in fact, helplessness wasn't a significant part of their

experiences. However, there was consistency of the presence of the other constructs – growth

mindset, grit, mastery experiences, and positive relationships. While these do not comprise the

definitive list of skills and traits a rising generation family member needs to thrive, the research

points to the fact that these four constructs are likely an important part of the equation.

Limitations of the Research

There are several limitations of this study that can be leveraged to support future research.

First and foremost is the sample itself. This study was limited to the qualitative interviews with

12 people, a relatively small sample size. While this sample size is within the normal range for

the phenomenological method (Groenwald, 2004), it has inherent limitations with regards to

being a truly representative sample. Participants for the study had to meet the exemplar criteria (see Appendix B) and the age criteria (21 − 65 years old) set forth by the study. While participants were a diverse mix of race, sexual orientation, region, age, and their identified generation in relationship to the wealth creator, greater diversity across each of these factors would increase the validity of the study and yield more confidence that the results are generalizable. Additionally, a sample of convenience was used to recruit study participants, as each study participant came to me in one of two ways: they were either someone I knew personally from my work or they came through a professional colleague. Therefore, this introduced an element of bias as the participants were limited to my primary and secondary networks, both of which are within the United States. Expanding beyond these networks would increase the validity of the findings and likely add to them in new and interesting ways.

Secondly, the interview questions themselves posed some limitations. The interviews were based on ten core questions, which were derived from the literature as well as my experience in this field of work. While the interview questions were vetted by my Capstone advisor and one of my Capstone Board of Advisors, someone skilled in semi-structured interview design, it is possible that wording of the questions may have inadvertently influenced interviewees. Additionally, unasked questions may have left gaps in my full understanding of the phenomenon being studied.

Thirdly, while it is both acceptable and expected with the phenomenological method that the interview is reciprocal and, as such, both the researcher and the research subject are engaged in a dialogue, it is possible that the interaction with the interviewees influenced their responses, and that interviewees were cultivating a relationship with the interviewer by perhaps adapting their responses to be more agreeable.

Finally, the coding process, which was used for analyzing the participant responses, is subject to confirmation bias and thus issues of measurement reliability. One individual conducted all of the interviewing and coding for this study. Having a second individual confirm the coding for each transcript would have enhanced the reliability of the results.

Future Areas of Study

This research study has explored key traits and skills that the rising generation may need in order to thrive in the presence of unearned wealth. However, the concepts researched in this paper do not comprise an exhaustive list of traits and skills that would likely be useful to support thriving in this population. Future areas of study that may benefit our understanding of how to best support rising generation family members to thrive include, but are not limited to: character strengths and hope theory, especially as they each relate to goal setting; explanatory style, specifically in how it relates to mastery-orientation; and resilience.

Studying how rising generation individuals use their signature strengths in support of their goal-setting process and whether that supports more successful goal attainment in one potential rich vein of information. Character strengths have been defined as our capacities for thinking, feeling and behaving (Park et al., 2004) and as positive traits that are at the heart of who we are and what we do (Niemiec, 2014). The general classification of the Character Strengths and Virtues (CSV) is based on six overarching virtues that are common in cultures worldwide: wisdom, courage, humanity, justice, temperance, and transcendence (Dahlsgaard et al., 2005). Each of these virtues represents specific strengths that have met 12 defined and universal criteria (such as ubiquity, morally valued, measurable, and does not diminish others) in order to be included in the classification (Seligman, Steen, & Peterson, 2005), for a total of 24 strengths. Each person has a unique profile of these 24 strengths, which are expressed not in

isolation, but in combination with each other (Niemiec, 2018). By identifying rising generation members' signature strengths, and studying whether the use of those strengths can improve their life satisfaction and heighten alignment with the goals that one ultimately selects holds potential as an area of study, as well as learning whether their use creates a more aligned and compelling pathway for achieving those goals (Park, Peterson, & Seligman, 2004). This paper has made the case that consistent goal-attainment is often one of the challenges that children raised in affluent families experience. Understanding and utilizing one's signature strengths can be an important lever to help individuals pursue goals with more efficacy. Therefore, research into the use of signature strengths, specifically as they relate to goal attainment, could provide valuable new insights for the rising generation population.

The presence (or absence) of hope among rising and next generation members may yield important insights. Hope theory conceptualizes how hope can be a change agent by supporting people's perception of their ability to clearly identify a goal, develop strategies to pursue it, and initiate and sustain the motivation to take action towards its achievement. As with the use of signature strengths, hope can be an integral part of successful goal setting as well. According to Magyar-Moe and Lopez (2015), hope is important because it is a human strength that fuels the good life. Hope can be accentuated through four strategies: finding (which focuses on finding an individual's hope), bonding (which focuses on creating a safe bond with the therapist or other care giver), enhancing (which focuses on increasing the levels of an individual's hope), and reminding (which focuses on supporting individuals to become their own hope-enhancing agents) (Magyar-Moe & Lopez, 2015). For each of these four strategies, there are formal, validated methods, as well as informal methods, to increase hope. Experimentally testing these approaches within this population may help to underscore interventions that enable an individual

to aspire to be a rising generation family member (an active pursuit), rather than just a next generation family member (a passive label). The cultivation of hope could be a key step on the path to truly embracing what it takes to become a member of the rising generation. And, because hope can be an important component to successful goal achievement, research into its role with rising generation family members would be worthwhile.

Another area of research that would be useful to undertake in this population would be explanatory style, especially as it relates to helplessness and mastery-orientation. Explanatory style is defined as the habitual ways in which people explain the events of their lives (Peterson, Seligman & Valliant, 1988). A pessimistic explanatory style is defined as one in which people believe that bad events in their lives are stable, global, and are due to internal factors; and good events in their lives are explained by unstable, specific, and due to external causes (Nolen-Hoeksema, Seligman & Girgus, 1986). An optimistic explanatory style is defined as one in which people believe that bad events are explained by unstable, specific, and external causes, and good events by stable, global, and internal causes. Explanatory style is malleable and, therefore, like all human personality traits, it is influenced by both genetics and environment (Peterson & Steen, 2009). Research has shown that children who have a negative explanatory style exhibit more helplessness and maladaptive passivity than children without that explanatory style (Nolen-Hoeksema et al., 1986). Additionally, children who have an optimistic explanatory style tend to exhibit more mastery-oriented behaviors, such as task initiation, focusing on remedies for failure (rather than causes of failure), and effort over outcome (Diener & Dweck, 1978). As has been illustrated in this paper, many members of the rising generation in affluent families struggle with achievement pressure, fear of failure, and engaging with challenging pursuits over the long-term. The cultivation of a mastery-orientation in these individuals may

predict their ability could be invaluable in supporting them to stick with a pursuit despite the

inevitable failures and set-backs, but this would need to be studied and validated. Given the

connection between explanatory style and mastery-orientation, further inquiry into how this

research can be used effectively with rising generation family members would be informative.

Finally, given the challenges that rising generation family members face, resilience

should be a key area of study in this population. Previous research in other populations has

demonstrated resilience is a key skill that can help individuals move from helplessness to

thriving. Resilience is the ability to bounce back from adversity and to grow and thrive in the

face of challenges (Reivich & Shatte, 2003). As captured in the words of Elisabeth S. Lukas,

protégé of Viktor Frankl, "The forces of fate that bear down on man and threaten to break him

also have the capacity to ennoble him" (Southwick & Charney, 2012, pg. 13). Resilience is

complex, dynamic, and can be both context-specific (an individual may show resilience at work,

but lack resiliency with relationships) and life-stage specific (an individual may be resilient as a

child, but not show that resilience as an older adult) (Southwick & Charney, 2012). Resilience is

a sign of healthy adaptation to stress or trauma – the ability to bend without breaking. While

one's capacity for resilience may be partly inherited, it is not a fixed trait (Reivich & Shatte,

2003), meaning that adopting a growth mindset can enhance this trait. Can these traits be

cultivated in this population? Many of the factors that increase resilience, also add to human

thriving. Protective factors, or "resilience factors," are the common factors that resilient people

use when facing stress and trauma, and which protective factors are present among rising

generation members would be instructive for next generation individuals who seek to increase

their own well-being. While not a definitive list, in their research on resilience, Southwick and

Charney (2012) identified ten commonly cited protective factors (see *Appendix I*). It is likely

that some of these factors will come more easily than others, so it is worth exploring those that

align with one's strengths as well as those that would require more conscious effort to increase.

In addition to the above topic areas of study, it would also be helpful to expand the

research in this field of study to include a larger sample size and to focus future efforts on

including empirical studies to help to validate the presence or absence of these variables across a

larger pool of UHNW families. Both of these foci for future research would help to answer the

question as to whether these results are widely generalizable in this demographic.

<div align="center">**Practical Applications of Research**</div>

Through the course of this paper, it has been established that, despite all of the security

and opportunities that growing up with wealth can offer, it can also be challenging in ways that

significantly impact the ultimate well-being of rising generation family members. What has not

been established through the course of this paper is that while being a parent with financial

means has significant benefits (access to resources for one's child, reduced financial strain,

ability to provide access to opportunities) it is also brings a set of psychological challenges that

can be extremely difficult to manage, and it is important to briefly address this aspect of the

family dynamic as well.

There is significant research illustrating how having insufficient financial resources to

insure stable shelter, food, and safety for one's family can have a dramatic impact on one's

emotional well-being and that of one's children (Kahneman & Deaton, 2010). There is no

contention that money makes life easier. However, research also indicates that more money only

increases emotional well-being to a point, after which, more money can become a stressor in

itself (Kahneman & Deaton, 2010). And, like parenting in a situation with scant financial

resources is challenging, parenting in the territory of excess financial resources brings challenges

of a different sort (Gladwell, 2013). This concept of the inverted U – the notion that there is no

such thing as an unmitigated good – is seen with regard to many material and psychological

circumstances that surround emotional well-being (Grant & Schwartz, 2011). According to this

premise, all positive experiences, traits, and states have costs that, as they continue to increase,

outweigh their benefits. This may be true of increasing levels of wealth as well.

In my experience of supporting UHNW families, one of the greatest fears parents have is

that they are going to unwittingly "ruin" their children by giving them too much or making their

lives too easy. This is a reasonable fear. Given that 80% of American wealth is new wealth – it

has not been inherited from a previous generation (Grubman, 2013) – most parents in this

economic demographic are attempting to do something that has not been role modeled by their

own parents. Family wealth consultant and psychologist James Grubman (2013) refers to this

situation as the parents being immigrants to the land of wealth, a land to which their children are

natives. And like immigrants to a new country, there is a whole host of new customs and skills

one has to build in order to be successful.

This section addressing the practical applications of this research is written for you – the

rising generation who are seeking to shine in your own life and to make good on the gifts and

opportunities you have been given; and your parents, who are committed to learning how to

parent well in this new land.

Insights from This Research for the Rising Generation

Remember that first and foremost, embodying what it means to become a true rising

generation family member is about your psychology, not about your chronological place within

the family lineage (Hughes et al., 2014). The children of big thinking wealth creators who

choose to rise and claim their own voice and their own path adopt an attitude of growth and

employ a willingness to work, strive, and tolerate frustration and disappointment. They learn to take control of their own lives and decisions, they pursue goals with passion and perseverance, they seek feedback, learn to grow through failure, and surround themselves with people who see and appreciate who they are, not what they have. In order for you to embrace the mindsets and habits embodied by exemplars in the rising generation, this research has illustrated that there are likely four key traits and skills that you need to cultivate: a growth mindset, grit, learned mastery, and positive, close relationships. While at times you may feel helpless and very stuck, each of the traits and skills examined in this paper can be learned.

Growth mindset. According to Carol Dweck (2006), simply learning about the concept of a growth mindset can begin to have an impact. Dweck's (2006) research suggests that if you have a fixed mindset, you tend to think that intelligence (and other traits) are static, you're more likely to avoid challenges, you're more likely to get defensive and give up easily, see effort as a sign that you're not talented, ignore constructive criticism, feel threatened by the success of others, and therefore are more likely to achieve less than your potential. On the other hand, if you have a growth mindset, you believe that intelligence can be developed, you're more likely to embrace challenges, persist in the face of setbacks, see effort as a part of the path to mastery, are willing to see constructive criticism as an opportunity to learn, be inspired by the success of others, and, as a result, work towards higher and higher levels of achievement.

Grit. Similar to a growth mindset, grit can be learned. Angela Duckworth (2016) suggests four steps to growing grit from the inside out are: find what you're interested in, practice it, find your purpose, and cultivate hope. It's a tall order to find your passion, so start by following your interests. What lights you up? Following your interests is also a part of learning to know yourself, which is a key to adopting the mindset and habits of the rising generation

(Hughes et al., 2014). While interest can be one source of personal passion, purpose – defined as the intention to contribute to the well-being of others – can be another (Duckworth, 2016). Fueled with interest and purpose, it's time to just put in the effort – this means practice. Duckworth (2016) highlights that grittier people simply practice more. They put more time into their pursuits than other people. And, finally, hope. Hope is what drives us to continue even when we feel defeated. The kind of hope that puts kindling on your gritty fire is the kind that is based in the determination to get up one more time than you have fallen (Duckworth, 2016).

Learned Mastery. There is not a formal definition for learned mastery. However, if learned helplessness is the process of learning that one's efforts do not matter because of the repeated experience of unsuccessful efforts to prevent non-contingent punishments (Seligman *&* Maier, 1967), then, by extension, learned mastery is the process of learning that one's efforts *do* matter because of the repeated experience of successful efforts to achieve contingent rewards. Therefore, building mastery is a process of putting in effort, finding that your effort makes a difference in your outcome, and sticking with it until you begin to feel increasingly capable. Many of the exemplars in this study described a sense of internal momentum once they started to see that their efforts made a difference in their lives.

Positive Relationships. Finally, learn to discern true friends from those who are just enamored with your status and that of your family. As strange as it may seem, it's likely that your parents have also felt the confusion and, at times, the isolation of trying to find friends who they know accept them for who they are. Try talking to them about their experiences – they may have some valuable insight to share. The exemplars in this study all said they had at least one person whom they knew beyond any doubt cared for them for who they were and not what they

had. False friendships can be difficult to detect, but over time, you'll build the skill for discerning true friendship.

Insights from This Research for Parents of the Rising Generation

The inverted-U, the concept that there is no such thing as an unmitigated good (Grant & Schwartz, 2011), means that some aspects of parenting are harder when you have excess financial resources. For instance, you have to be even more intentional in the messaging you give your children – claiming that your family values a strong work ethic, but never requiring your kids to work sends a mixed message. Telling your young adult children that you want them to "make it on their own," but then supplying them with enough inherited income that they never have to do the hard work of crafting their own path, is not only de-motivating, it sends a confusing message. Because external financial circumstances aren't going to force you to make decisions about what you will and won't support of your children's interests and activities, you have to get clear on what you value and what you want to encourage in them and then make decisions that are in alignment with that philosophy. It's much harder to tell your children "no, we're not going to do that because it doesn't align with how we want to raise you" than it is to say, "no, we're not going to do that because we can't afford to."   Remember, helplessness isn't learned, it's the default state. It is *control* over one's circumstances that is learned (Seligman & Maier, 2016). Early life adversity, in appropriate doses, can inoculate people to later life helplessness. There is great value to children learning to work through struggle and to tolerate frustration; to discovering that their own efforts can result in rewards; and to proving to themselves that they can try something new, sometimes falter or fail, and still survive. As with the actions that your children can take to become thriving adults, so too can you support them on

the path with intentional parenting that focuses on developing a growth mindset, cultivates grit,

encourages a mastery-orientation, and helps them to engage in close, positive relationships.

Growth Mindset. There is significant research indicating that cultivating a growth

mindset – the belief that skills and traits are learnable with effort – leads to both short-term

achievement and long-term success (Dweck, 2010). Growth minded people tend to value

learning over looking smart, they value effort over ease, and they tend to overcome setbacks

more easily than their fix mindset counterparts. Learning to praise effort, rather than outcome,

can be one of the most effective ways to encourage a growth mindset (Dweck, 2006). Rather

than adopting a style of praising intelligence or skill, which can harm motivation and

performance, try acknowledging the tenacity or concentration that you witnessed. Teach your

children to love challenges, enjoy effort, be curious about mistakes, and to continually be

seeking new strategies for solving problems. Instead of seeing your role as the person to praise

their every success, embrace the idea that they are developing people and your role is to be

committed to their development (Dweck, 2006).

Grit. Grit is defined as passion and perseverance in pursuit of a long-term goal

(Duckworth et al., 2007). Similar to growth mindset, grit has been linked to long-term success

and achievement. Like all human traits, grit has components that are influenced by both genes

and environment (Duckworth, 2016). Some people are born grittier than others, but we all have

the ability to increase our grit. And, we can support others to increase grit by how we parent,

coach, and teach. One of the most important ways that parents can increase the grit in their

children is to be gritty themselves (Duckworth, 2016). Role modeling the passion and

perseverance it takes to pursue a long-term goal will show your children what grit looks like and

what it can yield. Additionally, learning how to be both supportive and demanding, a parenting

style that Duckworth (2016) refers to as wise parenting, will help your children develop the grit they need to succeed.

        Mastery-orientation. Research indicates that a mastery-orientation can be taught to children early in life and is impacted by how parents interact with their children (Hokoda & Fincham, 1995). Parents of mastery-oriented children seem to be both sensitive and responsive to their children's abilities and requests for help, and maintain a positive affect and focus on the learning rather than outcome. This research is interrelated to the research on growth mindset which indicates that parents (and care-givers) who, when their child is faced with a challenge, focus on the process and the learning rather than the cause of the failure or the outcome, tend to have children that are mastery-oriented (Diener & Dweck, 1978). Children raised by people who have been able to turn their ideas and hard work into significant financial wealth often have the feeling that they will never measure up – they focus on the outcome, rather than the process. Supporting your children to focus on the process and their learning, and teaching them to embrace failure as a part of their growth, will help them to cultivate a mastery-orientation. Additionally, learning to speak about success in broader terms than just financial success can create a bigger space in which your children can define their own successes.

        Positive Relationships. Finally, the parents I talk to during the course of my work often say that their wealth can have an isolating effect. They may outwardly look like everything has finally fallen into place in their lives and they have it all, but they don't often have close friends with whom they can share their experiences and concerns without sounding insensitive to the daily challenges in their friends' lives. Recognize that your rising generation children likely feel the confusion and isolation you feel when it comes to their own friends. Find ways to talk to them about your experiences and be curious about their experiences; help them to trust their

instincts regarding how they feel when they spend time with different friends; and be willing to have conversations about how to discern between genuine friends and those who are hanging out because your house has the best toys.

Conclusion – Why This Matters

This paper intended to illustrate the hidden challenges of growing up with significant wealth; explore the traits and skills present in those who have been raised with wealth and shown that they have overcome those challenges to create lives of thriving; and, using the lens of positive psychology, discuss what both parents and rising generation family members can do to support their ability to thrive – creating lives of autonomy, contribution, and engagement.

While certainly providing incredible advantages, it is clear that unearned wealth also presents its recipients with often unseen and unacknowledged challenges. The results of this exemplar research indicate that, while there is no single roadmap to thriving, there are likely key traits and skills that rising generation family members need to cultivate in order to support their ability to overcome the pitfalls in which many inheritors become trapped. Adopting a growth mindset, cultivating grit, engaging in mastery-experiences, and creating close, positive relationships are all important steps on the path to thriving. While this is not a definitive list, this research indicates that all four of these skills and traits are important, and fortunately, all can be learned.

Psychological well-being for every human is an autotelic goal. Supporting the psychological thriving of this demographic is a valuable enough goal in and of itself. And, I submit that their thriving could also have instrumental value through its broader social implications – the scope of their potential influence is broader by virtue of the volume of their resources and their social networks. As the rising generation are supported to overcome the

challenges to self-actualizing in a context of inherited wealth, they will be more able to focus

their human capital – their gifts, talents, and expertise – outward, constructively impacting issues

relevant to our communities and our world. As illustrated earlier in this paper, there are many

notable ways that individual and family wealth has been turned outward to increase the common

good.   While the Giving Pledge (www.givingpledge.org) is one such example of wealthy

individuals committing significant money to create positive change, there are also thousands of

private family foundations – both famous and relatively anonymous – that are directing

significant money into both community and world issues. And, because the United States IRS

requires that a minimum payout of 5% of the foundation's previous year's average net assets be

paid out each year (there is no maximum limit on payouts) (www.foundationsource.com) there

are significant dollars flowing into the community from private foundations, as well as other

donation vehicles (such as donor-advised funds), each year. Therefore, it is not a stretch to

recognize that as the attention of the rising generation shifts from overcoming the challenges of

inherited wealth, it can instead focus on the issues in the world most salient to them – where they

feel they can make a difference. It is not hard to imagine a world where future generations of

inheritors combine their considerable wealth with a desire to make the world a better place.

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Appendix A – Initial List of Exemplar Criteria

- **Solid sense of self (Know Thyself)**
  - Understands their talents/skills/gifts
  - Not identified solely as someone with wealth or solely in relationship to the wealth creator

- **Personal agency**
  - Feeling that they are in control over their own lives
  - Demonstrates individual decision-making, even when it doesn't align with family decision making
  - Able to dream their own dream
  - Ability to create impact or contribute

- **Grit**
  - Demonstrates passion and perseverance towards a long term goal(s)
  - Able to work hard and tolerate frustration
  - Stick-to-itiveness

Emailed text to UHNW industry experts regarding exemplar criteria:

The criteria I've compiled below are from Coventry Edwards-Pitts' research (*Raised Healthy, Wealthy, and Wise*) , Jay's work (particularly *The Voices of the Rising Generation*), and some of the concepts within positive psychology (self-efficacy, self-determination theory, and resilience/grit). Which do you feel are most important in the success of a rising generation family member?

— *Demonstrated engagement (in community, work, philanthropy, etc.)*
— *Contribution (demonstrates creating impact in work, community, family, etc.)*
— *Autonomy and personal agency (demonstrates individual decision-making, even when it doesn't align with family decision making)*
— *Demonstrated ability to earn income*
— *Motivated towards achieving a personal goal*
— *Solid sense of self (does not solely identify as someone with wealth, or identify self in relationship to the wealth creator)*
— *Can overcome set-backs (demonstration of resilience and grit)*
— *Has a clear understanding of talents/skills/gifts*
— *Has clarified his/her own dream*

Appendix B – Study Summary Sent to Interview Candidates

Learned Helplessness to Learned Mastery:
Uncovering the Path to Success for the Rising Generation in Affluent Families

Why This Research?
Despite the common misconception that people who are born into wealth don't (or shouldn't) have problems, there are many challenges that rising generation family members face, including finding an individual sense of identity (Hughes et al, 2014; Blouin, 1996; Edwards-Pitt, 2014). Most of these inheritors are the children or grandchildren of highly ambitious, energetic, capable, and driven wealth creators (Blouin, 1996). While this transformation of the wealth creators' human capital – the combination of their gifts, talent, and vision – into material wealth is often extraordinary, it also can create a black hole for those who live in its wake (Hughes et al., 2014). This black hole absorbs the attention, aspirations, and energies of individual family members (Hughes et al., 2014), leaving them feeling like their only identity is in relationship to the wealth or the wealth creator.

This research is an attempt to uncover the path to thriving taken by rising generation family members who have successfully navigated these unique challenges in order to create a life of individual identity, personal satisfaction, autonomy, and engagement.

Who Qualifies? Exemplar Criteria:
* Please note: Well-being is longitudinal in nature and the attributes below will ebb and flow throughout a lifetime. As long as you perceive that someone generally fits the criteria below, even if they don't have all of the criteria in this specific period of time, they are likely a good candidate for this research. Candidates must be at least 21 years old.

- **Experiences mutually satisfying/positive relationships**
  - Is able to show up authentically in relationships in his/her life
  - Feels seen and appreciated in close relationships for skills and unique gifts he/she brings to the relationship

- **Solid sense of self ("Knows Thyself")**
  - Understands their talents/skills/gifts
  - Does not identify solely as someone with wealth or solely in relationship to the wealth creator

- **Personal agency**
  - Feels that they are in control over their own lives
  - Demonstrates individual decision-making, even when it doesn't align with family decision-making
  - Able to dream his/her own dream

○   Ability to create impact or contribute in meaningful ways

○ **Grit**
    ○   Demonstrates passion and perseverance towards a long term goal(s)
    ○   Able to work hard and tolerate frustration
    ○   Shows a "stick-to-itiveness"

What to expect?

Interviews will be one hour long and conducted by phone, or when possible, in person.

The interview protocol will include questions about the individuals' background and family story. Next, a set of questions will focus on experiences of learned helplessness (or other experiences of being "stuck"). Finally, a set of questions will focus on the circumstances – internal or external – that supported them to move past the helplessness and into engagement, contribution, and autonomy.

I will share the final research findings with any interviewees who are interested.

Confidentiality and Protection of Sensitive Data

Confidentiality of all interviewees will be strictly maintained. All identifying information will be removed from the interviewee's responses prior to transcription and data analysis and no names or identifying information will be used in the final research report.

All interviews will be recorded and transcribed to insure that I (Kristin Keffeler) maintain the integrity of the interviewee's responses. Interviews will be transcribed by a third party service. The recording that is sent to the transcription service will not contain the interviewees' name, just their initials and the date of the recording. Recordings and transcriptions will be saved in a password-protected Box file and deleted upon completion of the research (by August 1, 2018).

The Human Subjects Institutional Review Board at the University of Pennsylvania has approved this research project.

If you have any further questions or concerns, please feel free to contact me at Kristin@illumination360.com or 303-887-5779.

Appendix C – Invitation Emailed to Interview Candidates

EMAIL FOR RISING GEN FAMILY MEMBER (the clients/colleagues I'll be asking directly to participate)

SUBJECT: Seeking Extraordinary Rising Generation Family Members

Dear XXX -

I'm reaching out to you with a request. As you know, over the past academic year I have been completing the Master in Applied Positive Psychology (MAPP) at the University of Pennsylvania. I am nearing the end of my classwork for the program and turning my attention to my Capstone (aka masters thesis).

My Capstone research will be based upon semi-structured interviews with rising generation family members who have overcome the common traps or pitfalls of being raised in the shadow of a big-thinking wealth creator. I am planning to use an exemplar methodology to guide my interviewee selection. The exemplar methodology is an approach to research where we study the individuals who exhibit a highly-developed version of the characteristic trait(s) that are illustrative of a paragon within that population. It is used to help us understand more about the upper end of development within the population of study. In the case of my Capstone, I am hoping to understand if, and how often, wealth inheritors experience feelings of learned helplessness during their lifetime, and what inner traits or outer experiences helped them to move past the limiting and paralyzing experience of this helplessness into a life of meaning, contribution, and autonomy.

Here is where I'd value your help. You are someone I perceive has successfully navigated the challenges of wealth and I would love to hear your story and what you feel supported you to get to where you are today. Would you be open to participating in an interview with me?

I am seeking to interview 10 - 12 rising generation exemplars (ages 21 - 65). In consultation with experts in our industry, I have created a list of criteria that someone would need to meet in order to be considered an exemplar (see attached). You have already met these qualifications and it would be an honor to get to interview you and learn from your experiences. Interviews will be confidential, no longer than 60 minutes, and I will use no identifying information in my final written Capstone paper.

I'm attaching a summary of the research, in case you have further questions.

Thank you, XXX! I appreciate your help and, if you're interested, I look forward to sharing my final Capstone with you when it is complete.

With Gratitude,
Kristin Keffeler, MSM
Principal, Illumination360
Phone: 303.887.5779

Appendix D – Informed Consent

Dear Participant,

You are being asked to participate in an interview for a research project. Your participation will help me, a graduate student in the Master of Positive Psychology program at the University of Pennsylvania, learn more about the path that rising generation family members in affluent families take to create lives of meaning, contribution, and impact. Your involvement in this research and the insights you provide will help to develop curriculum that rising generation family members, and their parents, can use to support them to avoid the traps that inhibit many wealth inheritors from self-actualizing.

What will I be asked to do?
You will be asked to respond to a five question assessment measuring well-being and participate in one 60 minute interview where you will be asked questions about your background and family story; your experiences of learned helplessness or other experiences of being "stuck;" and, finally, what circumstances – internal or external – supported you to move past the helplessness and into engagement, contribution, and autonomy. You do not have to answer or do anything you don't want to.

What happens if I don't want to participate?
You can choose whether you want to be in the study or not. There is no penalty if you decide not to be in the study.

Can I leave the study before it ends?
You can quit the study whenever you want to.

What are the risks?
This study should not be risky for you, and you cannot get hurt from doing anything for this study. You might get tired or bored from answering some of the questions. You do not have to answer any questions you don't want to.

How will I benefit from the study?
Your answers will help researchers learn about the path that successful inheritors take to experience lives of meaning, impact, and contribution. This research will eventually inform a curriculum to support other wealth inheritors. However, participating in this research might not directly help you personally.

How will you record my responses?
I will record audio during the interview and may also take written notes during the session.

Will my answers be kept confidential and private?
Yes. Your answers will be kept confidential and all identifying information will be removed. There may be anecdotal quotes that are used in the research write-up, but no identifying information will be included with these quotes.

Will I be paid for participating in the study?
No, participants will not be paid for participating in the study.

Who do I contact if I have questions about the study?
If you have questions about the study, please email kristin@illumination360.com. If you have questions about your rights as a participant in the research study, please contact the Office of Regulatory Affairs at the University of Pennsylvania at 215-898-2614.

Participation Agreement
I have read this form. Any questions I have about participating in this interview have been answered. I agree to take part in the interview and I understand that taking part in this program is voluntary. I do not have to take part if I do not wish to do so. I can stop at any time for any reason. If I choose to stop, no one will ask me why.

By signing below, I agree to participate in this interview. By doing so, I am indicating that I have read this form and had my questions answered. I understand that it is my choice to participate and that I can stop at any time.

Signature:

Date:

Appendix E – Interview Guide

Learned Helplessness to Learned Mastery:
Uncovering the Path to Success for the Rising Generation in Affluent Families

Reminders:

○ All information in these interviews is confidential. The confidentiality procedures for this project have been approved by the IRB at the University of Pennsylvania.
○ Our interview will be recorded and transcribed to support the data gathering for this project, but your name will not be associated with the recording.
○ A unique identifier will be assigned your file
○ You may end our interview at any time if you choose.
○ You may ask to skip any question you don't want to answer.
○ As an interviewer, my role is to stay neutral as to not bias your responses. So, while it is in my nature to want to respond to and affirm the stories I'm hearing, I will not be giving a lot of feedback.
○ May I use your first name?

Section 1: Brief Family History – Creating Context (5 minutes)

○ Share with me the story of your family's wealth.
   ◉ How was the wealth created?
   ◉ What family dynamics (divorce, step-siblings, etc.) impacted you growing up?

○ Did you identify as wealthy growing up?

Section 2: Challenges (10 minutes)

○ What was the most challenging aspect for you of growing up in a family of wealth?

○ To what do you attribute your ability to overcome that challenge?

Section 3: Path to Thriving (30 minutes)
Five minutes or less for each of the below stories/anecdotes

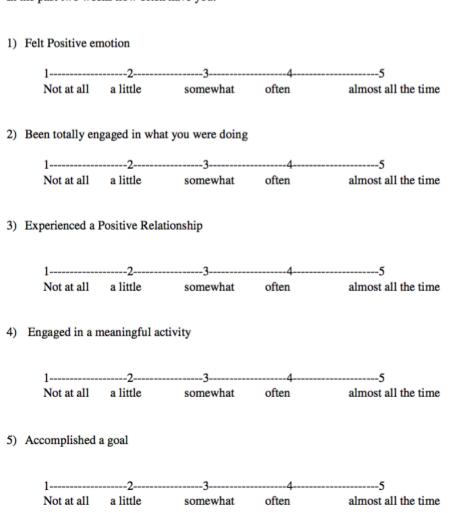○ Tell me about the biggest goal you've ever achieved. What supported your ability to achieve it?

○ Sometimes family wealth can be de-motivating for rising generation family members. Did you ever feel stuck or unmotivated to pursue your own path? What was that like? What supported your ability to get "un-stuck"?

○ Tell me about a domain or area of focus where you feel like you have comprehensive knowledge or a high level of skill. How has this impacted you?

○ Some people believe that traits like intelligence, grit, and resilience are "fixed" and we all have to do what we can with what we have; other people believe that these traits can be expanded through practice, effort, and the willingness to accept and integrate constructive feedback. Which one of these resonates with you? Has this always been the case?

○ Many people who have been raised with wealth say that friendships and romantic relationships can be challenging because it's not always clear what is motivating the friend or romantic partner to seek a relationship. Have you ever experienced this? What were the circumstances?

○ Think of a relationship you have now where you feel seen and appreciated for who you are rather than what you have. What are the characteristics of that relationship that make it so positive?

Section 3: Advice (10 minutes)

○ What advice would you give a late-teens or early-20s rising generation family member on how to overcome the potential pitfalls of family wealth and create a path to thriving?

Section 4: Demographics (3 minutes)

○ What generation are you in relation to the wealth creator in your family?

○ What is your current age?

○ Do you have control of any or all of your inherited assets?

Section 5: Wrap up/Next Steps (2 minutes)

○ You will receive a 5-question assessment on well-being (PERMA Meter)
○ Reminder: all data (including quotes, etc.) will be de-identified
○ If you're interested in receiving the final paper, let me know!
○ Your stories are fascinating; I really appreciate you, your time, your vulnerability.
○ What was this experience like for you?

Appendix F – PERMA Meter

PERMA Meter

Please read each of the following questions and then select the point on the scale that you feel best describes you. All questions must be completed for this questionnaire to be scored.

In the past two weeks how often have you:

1) Felt Positive emotion

   1-------------------2-------------------3-------------------4-------------------5
   Not at all   a little   somewhat   often   almost all the time

2) Been totally engaged in what you were doing

   1-------------------2-------------------3-------------------4-------------------5
   Not at all   a little   somewhat   often   almost all the time

3) Experienced a Positive Relationship

   1-------------------2-------------------3-------------------4-------------------5
   Not at all   a little   somewhat   often   almost all the time

4) Engaged in a meaningful activity

   1-------------------2-------------------3-------------------4-------------------5
   Not at all   a little   somewhat   often   almost all the time

5) Accomplished a goal

   1-------------------2-------------------3-------------------4-------------------5
   Not at all   a little   somewhat   often   almost all the time

Appendix G – Complete List of Coding Categories

- Challenges of wealth
  - Busy parents
  - Confusion regarding money
  - High bar for life
  - Imposter syndrome
  - Inequity between older siblings not raised with wealth and younger siblings raised with more affluence
  - Inequality (in power and/or money) in parents relationship
  - Joint governance of family assets with other family members
  - Judged by both worlds – affluent and non-affluent
  - Lack of communication about expectations from parents
  - Messaging from parents – be careful, people are out to take advantage of you
  - No anonymity
  - No individuality
  - Other people's projection onto you (of their own wealth bias or what they think it would be like to be wealthy)
  - Relationships challenging
  - Trying to pass as normal
- Overcoming the challenges
  - Creating a healthy relationship with money
  - Creating independence/own identity
  - Getting educated in how to be a good beneficiary
  - Creating geographic distance from where the family name is known
  - Embracing the Golden Rule – treating others as you want to be treated
  - Hard work role modeled in family
  - Learning to become vulnerable and trust others
  - Learning how to integrate the wealth into your life
  - Finding good mentors
  - Useful messaging from parents ("this is what we value/this is how we act")
  - The recognition that money doesn't fix everything
- How individual identified (wealthy or not)
  - One foot in both worlds
  - Identified as wealthy
  - Didn't identify as wealthy (or family didn't have wealth at that time)
  - Parents chose simplicity (not living up to their means)
  - Parents created faux scarcity
- Grit
  - Finding own passion
  - No influence of family name or legacy – able to achieve something on own merit
  - Parents or key supporters helped to cultivate
- Learned Helplessness
  - Experienced but overcame
  - Never experienced (it wasn't an option)
- Mastery experience

- o Impact – increased confidence
- o Impact – recognition of ability to accomplish something unrelated to family name or connections
- Growth mindset
  - o Intrinsically-motivated or generated
  - o Supported by parents or other key adults
  - o Worldview – always had growth mindset
  - o Worldview – once had fixed mindset and learned to adopt growth mindset
- Positive relationships
  - o Experienced as youth
  - o Experiences now
  - o Questioned friendships
  - o Traits of positive relationships

Appendix H – Interviewee's Advice to Other Rising Generation Family Members

"I think curiosity has a lot to do with it. Just to be able to figure out what are all the other things in the world that could be of interest and that resonate with that person. I don't know I think parents in family create really specific environments. My sense is that regardless of different parenting techniques or different family environments is that the environment inherently is very narrow. You're creating a very specific context. I think the goal would be figure out in that environment what you want to assume. Don't over assume. This is why it connects back to what I love about your other example of the other person you talked to about gender. So many people in the world assume that they're straight or assume that they're anything. Once that assumption gets broken, regardless, even if you end up in the same place that journey was really valuable. I think the experience for someone who's coming into their own adulthood and identity is about having a lot of things pinging off of that person in a way that's like, "React to this. React to this" in a way that starts to shape. At that age you are really malleable. You're not shaped by things that you're not touched by."

"To me it's develop the ability to ... I call it financial literacy or self sufficiency. Whatever age you are, learn how to deal with money. Learn how to budget, learn how to save, learn how to feel comfortable not overextending yourself, learn the ability to feel like if you needed to be on your own and take care of yourself at whatever point, that you could do that, and I think the worst thing that I see, the anxiety that comes with money and wondering if I could do it on my own, and that attachment to the inheritance, and the trust, and the family house, put yourself in a position where you are able to succeed. So, develop a budget, develop an ability to control your spending in a way that you have targets as far as what you're saving and that you develop discipline around money. Start focusing on credit scores, and managing credit effectively, and getting a part-time job, and being able to generate income. That might be five hours a week, it might be 10 hours a week, but saving that, knowing how much you're spending, figuring out all your sources and uses [for money], and having a goal for how much you're putting away in the bank each month, and [then] putting that away [and saving it]. That feeling of discipline will last your entire life. And [on the] opposite [side], if you feel reckless and out of control, and [have] an anxiety around money and questioning your ability to make smart decisions, that'll follow you your whole life."

"Oh, boy. The first thing that comes to mind is to get away, gain some sort of perspective. Go someplace where people don't care who you are so that you can start to figure out who you actually are. You get a say in who you are. No one ever really told me that. I thought I was just carrying the torch. And also, you don't need to have all the answers. I spent my whole life thinking if I had the answers, then I'm good. But to figure out what the right questions are [is more important] or just figure out any questions [that you're actually asking yourself]. Start somewhere."

"My advice to them would be nothing feels as good as personal accomplishment, and those personal accomplishments are usually based on a lot of personal work which no one will ever see, and it's all behind the scenes. You don't have to disown your family. In fact, you should always seek to use whatever resources are available to you, but you need to know that you're driving your own creation. This work will also let you feel less guilty about any uneven gifts that you receive through that affiliation with your family. It's a [psychological] thing, and thinking about [being] stuck and unstuck, I have personally had waves of times when I wasn't producing or wasn't working on things that felt like they were resulting in something. When you go back to getting something that you produce, you do it, you work with a team and you do it well or whatever. That high, that elation about how that went, I definitely have felt those waves. And sometimes it's just you're doing all the prep in the background and you just have to do that. Part of it is, being an introvert, I sometimes would choose to do my own thing and not work with other people or to do things in private as opposed to doing things that were more public, and doing something in public and/or with a group where you can reach a milestone of accomplishment ... whether you are recognized for it, or it's a pausing place [for you], it feels really good.

"I think this kind of new engaged commitment that I have for myself about doing things that are mutually nourishing. I think that also applies in every kind of walk of life. Do the thing that you're passionate about. Do that thing that you're excited about. That same psychotic woman [I referred to earlier] also said to me, "There's a reason they call it work, bitch." And that was also helpful. Yeah, it's not gonna be great every moment of your life, but if you can find the things that nourish you that you feel excited about, and the people and the relationships. And if you focus more about how you can be a contribution to the world instead of competition and comparing and what you're not, I just find that that makes for so much more happiness. And really to look at what you are good at, as opposed to trying to make yourself something else."

"Have a goal for your personal self your business self and really let people know that you have this goal. Don't hide it because if you just have this goal and it's a private goal, no one is gonna support you and they're just gonna put that stereotype of "oh you're just the next generation's wealth, you're a trust fund baby." And let them know that you do have drive and that you are someone that wants to make you're own name. If you tell people that you're driven or show people that you're driven and you tell them that you want to do something, they're more likely to support you than if you just keep it to yourself and hope that one day it will happen because they're just gonna pretty much put you in the category of "she's just a trust baby or she's just gonna get whatever she wants from her mom and dad." And also to know it's okay to fail. It's okay to say, I changed my mind I don't really wanna do this."

"I do think some element of self-exploration is important and to have that as a sort of intentional project that you undertake, but I also think limiting that and just getting out in life, getting out of your comfort zone and working, getting a job and a real career and pay your rent, pay for your car insurance, I think is important, just going out and doing that and try to build, even if you come back to say a family business or you come back and manage the wealth, I just feel like that people that have gone their own path and built their own career, even if they have wealth, are able to create an identity on their own and I think there's much [good that happens] from that. And experimenting with different ideas in life is good too, but it can suck you more into the wealth. When you go out and experiment and you become an artist or get on the Peace Corps or do all these different things, if you don't build confidence that you can do it on your own, those things can almost suck you more into the wealth. I think that that is a tricky balance because I think that can be very beneficial to go have life adventures, but you can't get stuck doing just that. Having that freedom, planning out who you are, but I also think that sort of pulls you further into the wealth trap and doesn't allow you to build your own career, build your own identity and just have that pattern of success. I do think that success is a pattern. People that are successful tend to ... success tends to breed success."

"My advice would be to make yourself proud. There is so much to be said for how often we're trying to make other people proud, and there is something to be said for setting small goals, learning every day – how you create a wealthy/rich life that has nothing to do with money. This is how you make the path to feeling good about yourself, and then the money can be a tool."

"I think what I would say is find something that you're interested in. Don't get hung up on the fact that it's [something you have to] do for the rest of your life. But, find something that you're interested in, and then just kind of dive in and go after it. Get involved, and go out and make connections, and meet people, and just kind of commit yourself to what it is that you're interested in and just go after it. Then, after a period of time, you may find that it's not something that you're interested in anymore. You can shift to something else, or you may find that that's what you ultimately want to do and live, for the rest of your life or career. But, that's been a recurring theme in my life is I was really blessed to get exposed to the concepts of money and investing, and personal finance, and all of that at a really early age, having started investing in stocks at six years old, and buying my first piece of commercial real estate when I was 16, an taking an active part of my stock portfolio. Moving that forward to when I was in college, I was interested in real estate, and was interested in private equity, and mergers and acquisitions. I joined industry associations, and I was going to meetings, and joining committees, and going to events, and meeting people, and fast forward to today, and that's paid a lot of dividends in terms of gaining a lot of knowledge and expertise in certain areas, and developing a really robust network around me. So, I think that's kind of what I would suggest… find what you're interested in and dive in."

Appendix I – Resilience Protective Factors

Resilience Protective Factors
Realistic optimism
Facing fear
Moral compass
Religion and spirituality
Social support
Resilient role models
Physical fitness
Brain fitness
Cognitive and emotional flexibility
Meaning and purpose