

# Why Wealth Management Is as Much About Feelings as Figures

Diana Chambers, family wealth mentor and philanthropic advisor, outlines why wealth management is as much about feelings as figures, in a special guest article.

**F**rom the Rich Kids of Instagram to the 7th Duke of Westminster's £9bn inheritance, the relationship between high net-worth individuals (HNWIs) and their financial assets has captured the media's fascination in recent months. Indeed, the financial choices we have – how we make money, how much of it we have or want, what we do with it, the role it plays in our life, and how we pass it on – raise questions that affect us all.

When we think of wealth management, we normally think in terms of learning how to manage investments. But in the broadest context, it's how we manage money in our lives and relationships. My work is to help people understand their relationship to money so they are in control of it, rather than it being in control of them.

Often I find many highly successful, intelligent people, both individuals and families, don't prioritise financial emotional intelligence (EQ); that is, understanding their feelings, beliefs and expectations around wealth so they can foster a positive experience around their financial assets, including in their relationships. This is understandable. After all, feelings about money are often harder and more complex to address than hard financial facts.

## The pitfalls of wealth

Money is simply a means of exchange that should be used to serve social, intellectual, human, and spiritual needs – both our own and those of others. But failure to explore, and constructively talk about, our feelings about wealth can be the first step towards money becoming our priority and us becoming subservient to it.

I have seen that if a family makes money a priority per se, and adopts a competitive attitude towards gaining the most – either in relation to other families or within the family itself – the family members become lost in the process. They can become mistrustful, even paranoid, as their wealth defines them and money becomes the determining factor in their relationships. Ultimately money starts to inhibit rather than facilitate their lives.

## Developing financial emotional intelligence

Building our self-awareness is the first step towards financial EQ. This is expressed as we overcome the taboo that surrounds talking about our wealth, which in turn increases our clarity. By having freedom to talk to those close to us about our wealth, we can also come to appreciate what we have in abundance and learn to establish 'what is enough'. Once we have such clarity, we are no longer pawns to our financial desires.

The second step is to determine exactly what brings us true satisfaction and fulfilment. There is nothing wrong with money itself, but it cannot ultimately offer true power, freedom, control, security, and happiness. A strong network of relationships and a sense of meaning and purpose in our lives are the true drivers of happiness.

## The power of giving

Those with wealth who are fixated on acquiring more tend to focus on personal rather than collaborative success. They forget that real significance is found in our contributions to others, our communities, and our society – not in the extent of our bank balances.

This is one reason why helping clients with their philanthropy is such a central facet of my work. Everyone who gives well feels good about doing so. Giving can generate a lasting impact, offers an avenue for a legacy that extends beyond immediate family, and generates great satisfaction knowing a well-placed social investment has been made.

## Educating the next generation

With wealth comes the responsibility to ensure that not just ourselves, but future generations, are equipped with financial EQ.

How large financial assets are handed down to the next generation is one of the issues that most concerns my clients. Parents and grandparents who have high financial EQ are inevitably concerned with how their wealth will help or hinder their next generations. Considerable inheritance carries considerable responsibility, which may be experienced as burdensome. There is a risk that young people are unable fully to define their own identities as the weight of the wealth shapes and suffocates them.

The ability of parents to talk openly to their children about money and inheritance is crucial in this situation. Doing so will ensure children feel trusted and are made aware of the wealth before they can access it, so they can be well-prepared and financially intelligent enough to handle the money well upon receiving it. Involving children in philanthropy from a young age will help ensure they enjoy the experience of giving to others and want to continue this as adults.

The media often highlights young people who have fallen into a bad place because of the wealth they have inherited. Their parents have not tailored the inheritance to ensure it genuinely enhances their children's lives and they may not have maintained an advisory role once the money has been passed down.

But with a strong grounding in financial EQ, coupled with the values of hard work and resilience, as well as a growth mindset, considerable wealth needn't negate the recipient's appetite for being a productive member of society. In fact, it can be the trigger for developing greater meaning, purpose, and generosity in their lives.

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*Diana Chambers is a family wealth mentor and philanthropic advisor, and President and CEO of The Chambers Group/*

*'True Wealth: Letters on Money, Life, and Love' by Diana Chambers is available on Amazon now. Paperback £21; Kindle £7.93*

<http://dianachambers.com/>

