

J.S., age 74

spouse, age 74
3 adult children



BACKGROUND

I was contacted through a colleague who had received an inquiry from J.S. about making a particular gift to J.S.'s alma mater, the University where we both served as senior administrators. This colleague, also an acquaintance of J.S., had received a letter, the contents of which led him to believe there might be an expertise required he felt he did not have. I agreed to reach out to J.S. and after speaking by phone, J.S. requested our first meeting take place at his daughter's home in Connecticut. There, he insisted we speak privately, with no family members present. As his story unfolded, I could see that J.S. was both proud and wary. He knew he had an interesting secret he was holding close to the vest, but he sensed that he wasn't doing himself or anyone else any favors by not dealing with it.

As we sat together, J.S. gingerly pulled out a little black book with entries all made in pencil. The book contained a record of his stock holdings and each day he calculated what his gains and losses were, tallying them up at the bottom of the page. The day we met, his holdings had a value of approximately \$32 million.

STRUCTURE

Our first meeting was set for an hour but lasted several, with various family members coming in the room from time to time to see if everything was "okay." J.S. needed to talk, and I needed to listen. He wanted my assurance that our meetings would be strictly confidential and he wanted to continue meeting in person, though the logistics of his residency in the mid-West and mine in New York would require some navigation. We ultimately decided there was a good deal of work to be done, and I agreed to fly out to meet him every three to four weeks.

J.S. was particularly skeptical about working with a 'consultant' because his experiences in the past had been upsettingly prescribed and therefore, not helpful to him; a man who lived a very simple existence but whose intellect and personality required something more thoughtful and sophisticated. He had tried speaking to someone at the bank a number of times and found it impersonal, and he felt the attorney he knew and who had helped him with his estate plan was not able to advise him on anything other than taxes. He was spared the advances of other advisors because no one knew he had any wealth at all, though he had from time to time reached out to people who advertised and always wound up disappointed.

He viewed me as an 'honest broker' with nothing to gain or lose, and there was a sense of connection between us from the outset that he was able to trust. The chemistry was right.

ISSUES

Here is what emerged over the course of our initial meetings:

No one in J.S.' family had any idea of the extent of his wealth. Married for over 40 years, J.S. and his wife had three grown children, all of whom lived modestly.

J.S.' wife was partially confined to a wheelchair. There was some mystery around her diagnosis, but no plans were in place to manage her care as they aged. The couple were already in their seventies when we met, and they lived in a three bedroom rental apartment.

There had been no change in J.S.' investment 'strategy' in the last 30 years. His wealth was the result of serendipity; a modest loan had been made to someone just starting out, and that someone turned out to be Warren Buffet. The lion's share of his wealth was currently in stock certificates kept in a safe deposit box at the bank. There was a small brokerage account linked to the day-to-day savings account at the bank and that too had remained untouched for many years.

J.S. had no current advisors except a family lawyer who he liked but didn't use much.

His current, active philanthropy was purely reactive; whoever asked, got something. Many dozens of organizations were receiving end of year gifts for many years running, they were all under \$1,000 and they ranged from local to national to international causes. He had the idea that he wanted to make a gift of \$100,000 to the University he had attended, and wasn't sure if that was smart or not, whether it was the best use of his good fortune, or how he would feel about it, let alone explain it to his family.

WORK AND OUTCOMES

While I was originally brought into this picture because of my role at the University, my relationship with J.S. developed into a multi-faceted one that ultimately made him more comfortable about his financial and philanthropic issues. We worked closely together for three years, and I helped him create and became part of a trusted team of professionals who he came to trust and rely upon. It was very much an act of peeling the onion and discovery, and it required the right mixture of nimbleness, candor and discipline along with the ability to drive the process at only the speeds J.S. was comfortable travelling.

Eventually, J.S. grew comfortable 'owning' his good fortune. Through the engagement of a wealth management and investment advisor, J.S. established an estate plan that made sense of him and for his family. His assets were now being managed responsibly and there was a plan put in place to provide care for he and his wife well into the future.

The work we did together led to a much closer relationship with his three children, all of whom received sizable outright gifts along with the knowledge of future provisions provided through trusts for them and their children.

Philanthropic considerations were woven into many, if not all of the discussions we had together and with others. Singly, and with J.S.' family members, we focused on the following:

- A mission statement that reflected a multi-tiered approach to how they could be and wanted to be of help in the world
- A road map of values-driven options for each member of the family
- A course of awareness and information gathering about which nonprofits they should and could invest in
- Establishment of boundaries and reasonable expectations around the receipt of and response to requests for support
- Interface with a select number of other charities J.S. decided to support, acting as a representative who could independently voice expectations and help define terms during the gift making process
- A review system of gift making for yearly results and impact.

Ultimately, instead of the \$100,000 gift to the University, J.S. had originally thought about, he and his family contributed \$7 million to name a building on campus. They chose two additional local charities to make sizable gifts to over the next five years and J.S. wrote hand written letters to all of the others he had been supporting with smaller gifts over the years explaining that his priorities had shifted. In his will, instead of his planned bequests to 88 charities that would have all received gifts under \$1,000, J.S. asked each of the children to name three beneficiaries they would like to receive a portion of the final estate and he included all nine of those, plus one particular favorite of his wife's.



