

# Money and Meaning

*By Stephen Goldbart and Joan DiFuria*

## Making Peace with Your Enemies: Managing the Impact of Divorce on Intergenerational Family Life

When Mark and Sandra ended their 22-year marriage, they sought counsel on how to best handle its impact on their most important ongoing relationships: their children, ages 17 and 21, and on Mark's family business. She gave up her legal career to be a "stay-at-home" mother, except for her work as legal counsel for Mark's family business, as well as playing a highly valued role on the Board. In addition, Mark purchased one of the family business entities during the two-year period of "negotiating" their divorce, causing further tensions with Sandra. Mark wanted Sandra to make a rapid exit from her work in the family business, while Sandra did not see the divorce as an immediate end to her sole source of employment and professional esteem. She preferred a more gradual two-year exit plan.

In contrast to his position on Sandra's role in the business, Mark wanted to maintain the image of an unbroken family. He was invested in keeping all family holidays intact, expecting Sandra's participation in all family events. Mark's family had strong rules and expectations of family member performance. Indeed, his family's demands and expectations were key factors that had contributed to Sandra's decision to divorce. Moreover, Sandra wanted to split the holidays, and not be expected to be at her ex-husband's family events. Mark viewed her request as "self-centered" and refused to back down. As part of a high-profile family, he wanted to minimize the consequences of divorce on himself, his family and the business.

Sandra and Mark's divorce plans came as a great surprise to their children. Having never witnessed even one parental argument, their parent's marriage had always "looked good." Consequently, they were shocked and devastated by the news. Dad's idea of spending all the holidays together was appealing; it allowed them to delay facing the full emotional real-



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ity of their parent's breakup. So initially they agreed with Dad to keep things the same.

Sandra wanted her independence. She did not want to share the holidays, nor did she deem it healthy for her to stay on, in the long run, in the business. She lobbied the kids, explaining her needs. She assured them that she was divorcing their dad, not them. The kids ended up feeling angry and betrayed by both of their parents, as Dad pulled for togetherness and Mom pressed for independence.

Sad but true, Mark and Sandra's story is not an uncommon one. The divorce rate holds steady at 50 percent in the United States. So when we think of the composition of family today and for the next generation, blended nontraditional families, made up of step-parents, half-siblings, half-cousins, as well as nonmarital life partners, are and will be as common as the traditional family structure. This shift in the composition of the family has been nothing short of a sea change in our expectations and understanding of "family life."

There are additional complications when, as in Sandra's case, the divorcing family member is also part of a family business. Loss of a marriage does not automatically equal loss of employment or status in a family enterprise. Sorting out the business of the family in transition, and the family business, requires careful analysis and strategic planning. As professionals, we are positioned to help the family in transition sort out their lifestyle and estate plans. So let us consider the following:

- What are the key challenges and opportunities of the changes that divorce has brought to inter-generational family life and the life of the family business?
- What are the best practices, going forward to manage this change?

### **Key Opportunities of Blended or Nontraditional Family Structures**

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The diversity of a blended family brings greater dimensionality and scope to family life. A family that is able to navigate divorce and complete a successful transition will reap the benefit of having a new model of family evolution for others to follow. Acting as a prototype, this model demonstrates how members can embrace change, master conflict and work toward positive outcomes. Successful families of this

kind have effectively developed an "organizational change management process" for the family and the family business. This is an important tool for family members, now and for future generations.

The addition of step-family members in a blended family can also bring new energy, resources and perspectives to family life. As one teenage client of ours said, "My step father understands my interests, and is tolerant of me, in ways that my parents never were. My parent's marriage was a terrible stress on all of us; I feel relieved by their breakup, and I've gained a good friend in the process"! This family transition was supported by good communication between the parents after the divorce. The divorcing parents understood the importance of collaboration for the sake of their children, and for the future of their family.

Divorce and re-marriage increase the likelihood of cross-cultural marriage. Second and third marriages are less subject to the guidelines or familial pressures of one's family of origin. Cross (or counter) cultural relationships can bring a greater understanding, and compassion for, the otherwise unknown "other." In an era of global economics, we should not be surprised by a corresponding rise of the notion of global citizenship and ultimately, a *global conception* of family. We foresee a future where the *global family* becomes the norm of family life, a family structure that contains diverse interests, cultures and lifestyles. Ultimately, the global family will move toward a unique balance point between time-honored traditions, a cherished historical legacy and the very real needs, attributes and dynamics of its diverse membership.

### **Challenges of Blended, Nontraditional Families**

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Most of us are familiar with the challenges of blended families: endless warfare with ex-spouses, wicked step-parent syndrome; fragmentation of family life. Most research on the impact of divorce describes marked negative psychological consequences for the next generation. In addition to the emotional consequences of divorce, the legal consequences—intra-family battles about distributions and inheritance—can go on and on for years, causing greater animosity and a trail of pain and family fragmentation.

Without a doubt, the blended family faces great challenges, but we must also keep in mind that the phenomenon of a 50-percent divorce rate is still relatively new in human history. As a society, we

have yet to develop a multi-dimensional, flexible attitude, as well as the necessary social structures, to advance into this new reality of family structure in a constructive and positive manner.

So most of these new blended families try to find their own way, with little social or community support. Those of us helping with the estate plan are often on the front line, finding ourselves in multiple roles of planner, counselor, judge, jury and clergy. More than one advisor is needed to handle all the issues that these families face. We can offer practices, and a constructive attitude, that will help our clients move in a positive direction. We interviewed a 12-year-old child of a blended family who said, “I just read an article that said statistics say that a high percentage of children are adversely affected by divorce ... I guess I’m not a statistic, because it’s been ok for me.” Why do some children come out OK? What are best practices that can help families pave the way toward success?

## Best Practices

It is crucially important to believe, and persist, in making “peace with your enemy.” The couples who are fortunate, and wise enough, to end their relationship in a constructive, collaborative fashion are a huge step ahead. They have accepted that while they are divorcing each other, they are not divorcing their children, grandchildren and other key family members. For most couples, unfortunately the pain of divorce is heightened by the perception of one’s prior beloved as a disengaged, difficult, belligerent person; at worst, the enemy of your happiness. Once the pain of lost hopes and lifestyle has moved toward acceptance, it is time for a significant shift in attitude: Decide to make peace with your enemies. It is in one’s own self interest, and in the interest of one’s children and legacy to find avenues for communication and compromise.

Certainly this is hard, often slow-moving work, usually best accomplished after the first year of separation. From our professional experience, it is well worth the effort. But for many divorcing couples, simple avoidance and minimal contact is far easier, giving each other the “silent treatment.” But silence is not always golden when it comes to intergenerational family life. Avoidance of key issues in ongoing family life is like a geological fault under tension: it will fracture during important family occasions, turning a celebration into a painful reliving of the divorce trauma.

In our work at MMCI, we educate high-net-worth families on what we identified as the best practices of those families that manage to preserve both family unity and family wealth. One of these key practices is how the family deals with its inevitable evolution. We define this practice as *the need to cultivate vitality and connection in the evolution of the family*. To exercise this capacity, the family should do the following:

- Support the development of individual capacities with respect for differences among family members
- Balance flexibility and new options for each generation, with the family’s tradition and legacy
- Encourage inclusive engagement, collaboration and input from all family members
- Create a clear, well-understood mechanism for decision-making

Families with a family business should plan to implement this same key practice for the family business enterprise, if the family wants to encourage inclusive engagement.

We use these practices to guide the couple’s creation of a realistic and achievable family strategy, taking into account the dynamics of a family in transition, a blended family or a nontraditional family. In a values retreat format, we facilitated a dialogue to help Mark and Sandra reach consensus on their values and objectives for the benefit of their children. We helped them sort through their positions on participation in family holidays and events, as well as Sandra’s employment with the family business, achieving an acceptable balance of their differences.

Mark and Sandra loved their children, and knew they needed to forge a compromise on issues that would impact their family future. Ultimately they did not want their children and their children’s children to suffer or be confused about loyalty issues. Families in transition need to create a method for decision making and constructive communication that takes into account the changes brought by divorce and re-marriage. This requires courage, will and foresight. By making “peace with their enemy” the couple is more likely to accept and understand that having an agreed-upon sense of direction is of value. Ultimately this can lead to a decision making process and values-based framework allowing the next generation a far greater chance of security, stability and family unity.

Keep in mind that the most common psychological defense for handling emotional trauma is avoidance and forgetting. This means that many children of di-

orce, or those who suffer from conflict in being part of a nontraditional family, will cope with their pain by not remembering their childhood—the good and the bad. We highly recommend that the leadership of a blended (or global) family create a method for the telling of the family story, whether it be in written, audio or digital video format. This is a wonderful means by which a broad range of family members can create a legacy, telling the personal story about the family

business, family memories, lessons, and enjoyable life turning points for the next generation.

Whether it is the trauma of divorce or the challenges that nontraditional families face, the global family of the future must focus on issues of inclusion and loyalty. Ultimately, the global family will need a master plan to convey the core values, and the diversity of a multi-dimensional legacy and family heritage to future generations.

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