The Patti Brennan Show: How to Have Difficult Conversations About Money and Legacy

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Introduction

Patti Brennan: Hi everybody, welcome back. This is a special edition of the Patti Brennan Show. By popular demand, we have Amy Bloom back with us today as an extension of our podcast about family dynamics and how to bring up those awkward conversations within families and businesses.

Amy really has a way of framing things, and that's why we've brought her back. At the end of that last podcast, we made a promise to everybody that we would come back with a real, live kind of role-play of how she does what she does.

I can't tell you how many people say to me, "Patti, you're like our marriage counselor, you're a family therapist." And I quickly tell them I am not trained in this. I'm just listening and trying to reflect back. I'm able to refer our clients to Amy Bloom, who is a licensed psychotherapist.

Let me give you Amy's background. She is a renowned psychotherapist who has been practicing for over 40 years. She is the head of Family Finance, a service focused on counseling and consultation for families and family businesses who need help with effective communication.

In the prior podcast, Amy gave the example of having a meeting with the daughter of a business owner. The daughter said, "What are we going to do if mom dies?" And Amy paused and said, "What do you mean 'if'?" It was like an epiphany for this young person who realized, "Oh yeah, she's probably going to die." It was a reality check.

Amy has a way of really listening for what isn't being said. As advisors, I'll be honest with you—I recognize that clients sometimes only tell us what they want us to know. We're not therapists. They're not coming here for therapy. They're coming for financial advice. So where do we go when we know there are dynamics interfering with their progress? For us, we go to Amy Bloom. She's got the experience, she has this way of developing rapport very quickly and calling people out when they need to be called out. I'm not good at that, by the way. Amy's the best.

If you haven't listened to our first conversation, it's podcast number 185. The feedback we've gotten has been incredible.

Thank you all for joining us today, and especially Amy, thank you for helping me keep that promise we made.

Amy Bloom: It's a pleasure to share. Thank you so much.

Why Words and Tone Matter

Patti: I wonder if you could give us an overview of why words and tone matter.

Amy: I think for all of us, there are songs that we remember—lyrics and music. In the end, it's the music that stays with you. The words matter, of course they matter, but it is also the tone.

Part of what people have to think about is: What is your real goal in the conversation? Not just the goal that you are prepared to present. You might say, "My goal is to make a smooth succession in my family business." But that's probably not your only goal. The goal is also to get the kids to buy in, or get the board to buy in.

In my experience, assertive and clear is, in the end, much better than kind and vague, because you have to know what your goal really is.

Just as when you have little kids, if you're singing a lullaby, you don't sing it to the tune of the Star-Spangled Banner or your alma mater's fight song. Unless you want that toddler standing up in the crib yelling, you've got the wrong tone, the wrong music.

If part of what you're trying to say to your kids is "I have concerns about the succession of our business," you have to decide if your goal is to get the kids to communicate honestly with you, or if your inner goal—which is probably harder to acknowledge—is to let them know what a crappy job they've been doing so far.

Because if your real goal is to tell your kids how disappointed you are in them, I promise you, they will hear the music. They will hear the tone, and no matter what the words are, they will understand that you are disappointed and upset with them.

You've got to get yourself to the point in these conversations where what you really want to say and what you want to accomplish are in sync, as opposed to in conflict. Whether you are talking to your parents or your children, everybody is smarter than we think. Everybody perceives the tone.

Patti: I would imagine that when they work with you, Amy, sometimes they don't even know what their underlying goal is. Being able to talk to you about it, for you to listen and really dig and answer those questions, is really important.

Amy: Yes, and to manage conflicting options. For example, "I really want my family business to be handed down successfully. Also, I think it's my third kid who could do it, and I have to find a way to push the older two to the side."

If those are your goals, it's important to know them and to adjust your words and your tone to them. What happens often for all of us is that the wish or desire or goal that we have that we are not prepared to acknowledge is going to leak out, no matter how hard we try. They're going to hear it. And the one who you don't want to hear it is the one who's going to hear it first.

The Power of Clarity

Patti: It's so interesting that you say that. With my team of 33 people, every once in a while I gather everybody together to get a message out if we need to improve in a particular area. My leadership team basically slapped me around a little bit and said, "Patti, you need to stop doing that."

I said, "Really?"

They said, "Don't you know, if there's something going on that you need people to change their behaviors, here's what happens: The people who you are directing it at go back to their workstation and think, 'That's not me.' And the people who it is NOT directed at are the ones thinking, 'Is Patti talking about me?'"

To your point, be clear, be direct to the people that need to hear the message.

Amy: Yes. We're usually a little worried, and we think it's kind and we hope that the message will land where we want it to. But that's like throwing a ball up in the air and hoping that it lands in somebody's mitt. Not really how it works.

Patti: I'm going to show you a bracelet I have, Amy. At the beginning of each year, we each pick a word. At the beginning of last year, I said, "I don't know what my word should be." A member of my team said, "I think your word should be clarity."

I said, "Really? What makes you say that?"

The person said, "Because sometimes when there's something we want to know about—like succession planning—you're kind of really vague."

I realized that I was vague because I didn't know the answer. That was great feedback for me to hear. It was delivered in a way that I could listen and recognize it. So that's what I did last year. My word was clarity.

All year long, I worked on my succession plan. I announced it to the team, and I sent out a letter in June to all of our clients explaining what would happen if I got hit by a bus. I got more feedback from that letter than any letter I've sent in 35 years of sending quarterly letters to clients. People loved it. They appreciated the transparency and the difficulty. It got great reviews.

Amy: Be clear and be congruent with your tone and your words. It's one message, not two messages or three messages. Often we present material, but then we're worried that somebody's feelings are going to be hurt, so we speak up about that. Then if you're reassuring that person, how is the other person feeling? The message gets lost.

Sometimes, in the wish to be helpful and kind, vagueness rises up so that people can interpret what they want. That is almost always not a very good idea. If there's a message you are trying to convey, that message should be clear, and then you have to be open to people responding.

When somebody suggested that clarity be your message, you didn't say, "What do you mean by that?" You said, "Tell me more"—which is a very clear message and always a useful one. Then they did. They said, "Here is the example of when it didn't go so well, and I would appreciate it if you could try to do this differently," which you took in.

When you wrote that letter, there was only one message. It was "Let me be clear about what's going on," not "I hope you will interpret this and think well of me." Your goal was not to make yourself look good. The goal was to provide openness and clarity.

Sometimes the wish to be perceived positively—I never think you have to be antagonistic, ever—but people are entitled to have doubts, concerns, to get annoyed, to be defensive. I see my job, as well as your job, as helping the person with that and keeping them from getting in their own way.

Patti: It was really good feedback for me to hear because it needed to be done. One client emailed me and said, "Patti, I've worked with financial advisors all my life. You're like the fourth one we've hired. I have never received a letter or communication that was so transparent and so heartfelt. I just want you to know how much we appreciate it."

People look at my forehead and see these wrinkles, Amy, and in the back of their minds, they're thinking, "When are you going to retire?" I would always say things like "They're going to take me out feet first." That's my hope and belief. But the fact of the matter is, things happen. I just wanted to be very open and honest about that. I don't know what I don't know. I can't see around corners. I don't know what my life is going to look like three years from now, five years from now, but I've got to be realistic. I am getting older. People are seeing it.

These wrinkles I've earned, every single one of them, Amy. And by the way, they are staying. I'm not doing anything about them. It is what it is. I want to be real. I want to be vulnerable. I want people to know that I'm a human being too, and I worry about the same things they worry about.

Authenticity vs. Appearance

Amy: There's a difference between being honest and transparent, which you have a reputation for, and what you see on social media, which is cultivating the appearance of authenticity—which always makes me laugh.

The idea that one has the appearance of authenticity as opposed to the thing itself. When you're working with people, you want them to understand what their actual wishes are, not just the wishes that they present, not just the wishes that make them look good.

What I say to people is that everybody has conflicting wishes. We want the donut, but we don't want the five pounds. Those are conflicting wishes. They are both legitimate and understandable, but people have to work their way towards which one they really want.

Some people will say to you, "What is really important to me is my health," by which they mean, "I don't want to gain five pounds." But that is the thing they're willing to present. What they're not prepared to say—which is where I come in—is "Let me tell you about the food scarcity I was raised with. Let me tell you that in my heart of hearts, in that moment, nothing matters more to me than the donut. In that moment, I do not give a damn for my wellness. I need that."

That's part of where I come in, which is to help people sort out not just their wishes and goals, but also their emotional needs, which are sometimes a little harder for people to get to and acknowledge. I don't blame them.

Patti: Me neither. Absolutely me neither, having been there myself. People go through really difficult times with their kids—addictions, sexuality questions, all that stuff. I've been through it. I understand, and I tell people that because I get it. But I'm not a licensed psychotherapist like you are, Amy. I can listen and hear it, and hopefully I can interpret it, but here's what I would recommend, and then I would send them to you.

I've already sent you many clients. It's working out fantastic. They love you because you're right to the point. You're able to bubble up and get out of them—you're peeling the onion that I don't know how to do like you can. It's such a skill. It's a learned skill that comes with your experience working with so many families and businesses.

A Real-World Example: The Marketing Prodigy

Amy: I recently worked with a family that had a small but very successful multinational company. We met basically four times a year. What I did first was meet with each member of the family individually via Zoom, as they were across time zones, to talk to each person about what their goals were and to create a space in which people understood that it was entirely confidential. They could tell me what their worries and concerns were.

Then we would meet together, and we did that four times over the course of two years. For them, it made it possible to make some significant changes in their plans for the business.

Very unexpectedly for them, it turned out that the youngest kid, who had been sort of pushed along this track of heading towards being CFO, was in fact wildly gifted in marketing. The family position, as they understood it—based on how the grandfather started the business—was that marketing was basically trivial, "girl stuff," not important, and not central to the goals.

But that person who was interested in marketing was eventually able to make a pitch to the family board, which changed their minds. I think for the family, just being able to establish the idea that the older people were listening and were interested—that came about partially because I said to the parents, "What is your real goal here? You want this company to go well, and you want your children not to talk to you again? That's okay with me. It's not my call, but you need to think about what your actual goals are."

Patti: Fantastic. As you were talking, I was reminded about the three-legged stool that I learned about in the Certified Exit Planning Advisor program. I just became a CEPA. It is, I'm not kidding you, an MBA focused on family businesses. The third leg of the stool is owner readiness. That's where you come in.

They talk about the importance of bringing somebody into the family to talk to the entire family about the succession of the business if it's going to stay in the family. I learned so much in that program. They have people like you, Amy—nobody's better than Amy Bloom—who literally will talk with the owner and the family about readiness and transition.

Amy: The smart move is not to plan the exit 20 minutes before you leave the runway. Nobody does that. You want a nice, long runway. It's not always possible, but if that is your goal, that requires conversations along the way.

That's what made TV dramas like *Succession* so much fun—watching terrible people do terrible things with a lot of money. The cliffhangers were basically brought about by the boom moment in which you do not have a runway. Sometimes that's because the parents or the older generation cannot bear it. Sometimes it's because the younger generation cannot bear it.

Sometimes the job is to help people figure out: What are the components that make this so anxiety-provoking and difficult, and how can we reduce the anxiety? A lot of which is what somebody like you can do, Patti—reducing the anxiety with wisdom and care. Then sometimes you hit bedrock. You hit a level where it is not possible to relieve the anxiety, which is where somebody like me comes in. What is driving that difficulty?

Patti: One hundred percent. Folks, those of you listening, understand our own limitations. Just like I needed to understand that I was unintentionally being vague because I didn't know, and somebody had the courage to call me out on it. I received that, hopefully with some poise and grace and appreciation, and I needed to fix it. So I fixed it. I'm still working on it.

To your point, Amy, it's not something that happens overnight. It's a process, not an event. You've got to go through the process, and you do not want to wait until the last minute because things happen. We all work so hard and we've done so many things to create what we've created. You don't want it to blow up because of an accident or a diagnosis.

Let's be real. Let's not kid ourselves. We are all getting older. Things are going to happen, and you want to be ready for anything. That's what I learned in the CEPA program. It was a phenomenal program, and Amy, your role in this cannot be overemphasized. It is so important because that gets the people involved truly talking to each other, and you're uncovering the things that are really important in a way that I can't do.

Practical Steps: How to Start the Conversation

Patti: If it's okay with you, let's go through this depending on the role people are in. Let's start with you as the child, you as the adult child of the parents. What do you recommend in terms of how to prepare? How would people go about having that difficult, awkward conversation?

Amy: First of all, you want to look inside first. What I usually say when I'm doing couples counseling is, "You don't have to tell me how awful your partner is. Let's start with how awful you are." It saves a lot of time, because people often see my role as being the referee. They're going to come in, bring their dreadful spouse, and I'm going to go, "Oh, dreadful."

I think we all bring enough bumps and bruises to these conversations that you just focus on yourself.

The first thing I think you do is make a list for yourself—I don't care if you do it on your phone or old-school on a pad of paper. You make a list and you schedule a time. That can make people a little anxious.

You say to your folks, "Folks, I love you. There are some things that have been on my mind in terms of planning, and I would really like it if we could sit down and have a talk."

Now, depending on the relationship, you may get a lot of pushback right there. "What do you mean? Why is it important? Just say whatever it is. Just come out with it."

You've got to hold your ground. My choice is always to fall on my sword. My choice is always to say, "I don't want to make a mess of this. I don't want to do this wrong. I don't want to say the wrong thing. I don't want to be stupid. If it's okay with you, let me prepare a little bit, and let's schedule a time. I know that you guys might be completely ready, but I've got to pull myself together a little bit."

I always put the blame on myself. It's just easier that way. Also, I'm available. I can blame myself really easily. I'm right here.

I choose a time when they're likely to be pretty relaxed. I know my parents' schedule. Maybe it's a good time after breakfast on a Sunday morning. You want as little family drama as possible. You do not want to pick the week that little Susie has announced she's going to have triplets and be on bed rest for the next four months. Try to find a fairly chill time.

When you suggest the meeting, be open and upfront about what the goal of the meeting is and what you'd like to talk about. You'd like to talk about their future and your future.

Most of us were raised with money being a taboo subject. Doesn't mean people are not prepared to hold forth on their wisdom about money or the facts, but our feelings about it have so much to do with security and trust and power dynamics that you want to go low and slow. It's like scrambled eggs. High heat is not going to get you what you want. Low and slow.

Your parents might assume that you think they don't know what they're doing, and nobody likes that. That's not the vibe you want to give off. This has to do with knowing what your goal is. If your goal is to talk to your parents frankly about some concerns with the hope of getting to certain kinds of actions, you want to be humble. Nobody likes to be condescended to. Nobody likes the suggestion that they are stupid or inept. No one.

I promise you that if that is the message you are sending, they will receive it. You really need to focus on what you think of as your parents' strengths, so you can compliment them. You can say, "So much of what I've learned is from you."

Now, if they were a negative example, maybe that's not the line you want to take. Maybe you want to say, "You have always talked to me about the importance of X, and I really heard that."

You want them to feel comfortable. If the conversation feels uncomfortable before it begins, you want to really watch your tone, because that's the music that people hear. You don't want them to feel judged for their financial decisions, and you don't want them to think that the only purpose of the conversation is for you to figure out what your inheritance is going to look like or whether you're going to be the chairman of the board.

Patti: Can you give us an example of how a child could—the words that the child could say to put everybody at ease?

Amy: I might begin by saying something like:

"I'm worried that I'm not going to do as good a job of this as I want to, because it's really important, and I love you. I know this is going to be kind of awkward, but I am committed to this because I'm committed to our family. Please bear with me if I make a few missteps or I've drawn the wrong conclusion or made an incorrect assumption. I want you to tell me, and I promise I'm going to do my best not to be defensive and not to be a pain in the ass."

Patti: Beautiful. Absolutely beautiful. So it's again, you fall back on those "I" messages. Fall on the sword and just say, "This is going to be awkward. I don't know how to do it. I've never done this before. I'll do the best I can, and my goal is really A, B, and C. I just want to make sure we're very clear about your wishes and your plans and where stuff might be so that it's not an emergency fire drill."

It's those "I" messages. Take it on yourself so that puts the other person at ease. It's always more effective.

Amy: You don't have to berate yourself, but I think it's important to listen a little bit more than you speak. Ask how they picture their life looking in one year, in 10 years. What kind of legacy do you want to leave? You want to talk about your wish to carry out their wishes.

Now again, as the child, you may be in conflict about that. You may be aware that some of your parents' wishes are absolutely not things that you wish to carry out, and that's going to require more work. But you at least need to be clear about what is your goal for this first conversation.

It seems to me the goal for the first conversation is to acknowledge that it's difficult, to express your respect and appreciation, and to say that you're going to go forward, but you might stumble and you ask for a little grace.

Patti: I think it might also be helpful from the parents' perspective for the child to say, "Hey, Mom and Dad, whatever we talk about stays here. It's not something I'm going to share with my siblings. I just want to make sure that one of us has an understanding of what your wishes are. It is kind of awkward, but I just thought I would take the initiative. It's not something I'm going to go back to my siblings and say, 'Hey, guess what mom and dad have done or haven't done.' That's not the goal here. What we talk about today stays here."

Amy: I think that's very good. Now it also may be the case that you receive information that really concerns you. So what do you do then?

You don't want to jump up and look as alarmed as you feel. You want to say, "That's really helpful for me to know."

If it were me, I would probably take a couple of days after that conversation. I would acknowledge that absolutely this stays with me, this is not going forward to the rest of the family. I might take a few days, and I might call them again or visit them again and say, "I want to follow up with this particular issue." I might say, "As I've explored it more, would it be all right with you if we open this up to the rest of the family? This seems really important to me, and I really want this to go the way you would like it to go. I don't want there to be quarreling or misunderstanding. The only way I know to avoid quarreling and misunderstanding is to talk about it openly. Could we try that?"

If it's a really difficult thing—if the older generation is making plans that really make no sense to you—that might be an occasion to bring in an outsider and say, "I wonder if we could get a little help with this, because it seems to me that you and Bobby Jr. and Little Susie and I feel like we might be kind of far apart in our understanding of these wishes. I don't want this to get messed up at the end. I want this to go the way that is best for the family or for the business."

From the Parents' Perspective

Patti: Are there any do's and don'ts besides what you've already brought up? Be congruent, practice it, role-play it, talk to Amy Bloom before you have the conversation. That, to me, is the magic of all this. It's just important to be able to get it all out, because if it's buried, it's going to come out one way or the other. I have seen that in my own personal life.

Amy: It never ends well. If you are the older generation, you again want to do something face-to-face if you possibly can, in a quiet location where you won't be interrupted.

You want to do your own list of points. What's the money management approach that has served you well? Also, if there was a money management approach that was a real mistake, that's a wonderful thing to share. We are all much more receptive to the idea that the person talking to us has made errors and acknowledges them, rather than "I've got this all figured out. You should listen to what I say."

How have you made spending and saving decisions? How have you and your spouse—either present or past—collaborated on money decisions? What did you learn? It doesn't have to be how smart you were. Often the wish when we are the older generation is to show the kids that we made good decisions so they should listen to us.

Patti: It's interesting that you bring this up because you wrote a wonderful blurb about my book. In the conclusion, I encourage people to write a letter to their family in blue pen. Tell them stories. Tell them not all the good stuff—tell them about those times in your life when you may have been worried, when you had high anxiety. Be open and be real with them.

I think when the kids read this letter, they're going to realize that they're not alone, and that's what you want. You don't want to pontificate and say "When I was your age" and none of that crap. Be real with them so they recognize that there are seasons of life when they're going to go through difficult times that you did too, and that they're going to get through it. They have the tools. They'll get through it just like you did.

Amy: I think that's right. The letter is a wonderful introduction to a dialogue. One of the things I want to say over and over again to the older generation in particular: It's not a monologue. It is not a speech about your life. It is not a speech about your successes. It is a two-way conversation.

One of the things you can do as the older generation is to pause and say, "I've been talking for a while. What's on your mind? What do you think? Are there any questions? Maybe you see this differently than I do."

I once worked with a family in which the parents, the older generation, felt that they had gone through a difficult time and made some really important decisions that had worked out really well. What their oldest child remembered was the incredibly high level of conflict at home.

So what the parents framed as a very successful business outcome—which it undeniably was—the kid remembered as a very high-stress, high-conflict period at home. That may have been that the parents chose not to remember it, or as things do as you get older, it faded in importance. They were still together, they still loved each other, but you've got to make room in that conversation for that kid to say, "I think I have always been anxious about discussions about mergers, for example, because it was such a terrible time in our family life."

If you are not prepared to hear that, and your response is "Oh, it wasn't that bad," you have ended the conversation. You've got to be open to their reality and their truth. You don't have to share it, but if you shut it down, if you say "Oh, don't be ridiculous. It was fine," you have ended the conversation, and do not expect it to start anytime soon.

Group Family Meetings

Patti: When you have these meetings with families, do you ever have a group meeting with everybody together, including spouses and significant others?

Amy: Absolutely. For years, I used to keep a change of shirt in my closet because people were coming from all over the place, and these are long—like an hour and 15 minutes. Then I'd send everybody out for lunch, then we'd come back, and I was just sweating. I had my secret fresh blouse just so I could be as fresh and prepared as possible.

My feeling was, if this is hard work for me, I've got to know how hard the work is for the people in the session. It doesn't always go smoothly. People act out, people say things that they regret, and you've got to create an atmosphere in which, even if something regrettable is said, people can come back again.

So much of the preparation that we have to do as the older or the younger generation is to understand what our goals are and to be willing to engage. No one gets a chance unless you're king, and as far as I can tell from history, even if you are a king, you still want to get your advisors and your staff on board.

You have to say to yourself: What is the outcome I am going for?

Closing Thoughts

Patti: Amy, this conversation has been organic for this entire podcast. It was intended to be conversational. I love the things that you brought up—from the children's perspective and from the parents' perspective.

For those of you who are listening and watching, I hope you got as much out of this conversation today as I did. For those of you who are interested, please reach out to Amy, either through us or directly.

You can reach Amy by phone at **860-833-9703** or by email at **amy@amybloom.com**.

This is really important: Have the conversation with Amy first before you have those awkward conversations with family members.

Thank you so much for joining us again today. Thank you for helping me keep that promise, Amy, that we gave to listeners in our podcast number 185. For those of you who haven't watched or listened to it, go back to it. It's a really good one. It led to today.

Thank you so much, Amy Bloom, for your insights, your words, your perspective, and your experience.

Amy: It's always an honor to get to work with you and the work that you do for others.

Patti: Our clients love you. You become part of their family. Thank you for that. You make us look really good, by the way.

Thank you so much, folks. I hope you all have a great day. Start thinking about these conversations, these awkward conversations that you might have to have. Thanks so much for joining us. Take care. Bye, everybody.
