

FAMILY WEALTHREPORT

[Print this article](#)

BOOK REVIEW: Freedom From Wealth By Charles Lowenhaupt

Tom Burroughes

1 November 2018

History books and glossy magazines are full of stories of how scions of great business and political dynasties come unstuck. The problems take many forms, such as reckless spending, substance abuse or wrecking physical and mental health. While parts of the public might gloat, even imagining that there's some cosmic "justice" in how money does not buy happiness, there is clearly a serious issue here. And above all, it should be recognized that inheriting great wealth is not something for which anyone should be "punished" if that wealth has been legitimately acquired. What is the point of believing in honest property rights if you cannot bequeath them to your loved ones and the causes you hold dear?

Even so, there are challenges to meet for those who want to pass on their wealth: How can this be done without causing a number of problems down the line? How to keep an inheritor's feet on the ground and ensure that they forge their own values and create their own good in the world? And how should inheritors think about this, to avoid traps, whether they be threats through to attracting false "friends" who are only interested in a person because they are rich?

A wealth management industry figure who has been thinking about all this is Charles A Lowenhaupt, a regular commentator [in these pages](#). Founder and CEO of Lowenhaupt Global Advisors, he has penned *The Wise Inheritor's Guide To Freedom From Wealth – Making Family Wealth Work For You*. The 152-page book has an engagingly non-technical style, written in a way that simplifies matters concerning inheritance, philanthropy, family communication, fairness, parental expectations and the mechanics of wealth transfer. The author covers the topics without dumbing down the subject or becoming at all condescending. Lowenhaupt enlivens the book with real-life studies, and these really jump out of the page. There is one example of a family where the patriarch, his wife and children lived in humble circumstances without any obvious trappings of great wealth, and one day the children were told of how they stood to inherit a fortune. How Lowenhaupt relates how they adjusted to this and beat early mistakes is one of the highlights of the book.

Another really enjoyable aspect of the book is Lowenhaupt's unashamed individualism. He exhorts families to never lose sight of how each person is unique, not just a cipher of a patriarch or matriarch's will. To some extent, he says, the use of the word "family" in all discussions can obscure as much as it illuminates.

The author is not afraid to confront difficult political issues such as how inheritors – or indeed non-inheritors – think they have been wronged. There are some excellent passages about how to manage families' expectations, and ideas on the merits and flexibility of the trust as an effective financial tool.

Lowenhaupt goes to great lengths to explain that wealth, when seen in its proper context, is a tool, but when not understood and prepared for, can be a prison. At a time when some people continue to live in poverty, that might seem a difficult point to make, but as Lowenhaupt does so effectively without ever sounding trite.

The march of time respects no-one, and preserving wealth across generations remains a hard thing to do – despite the claims of academics such as France's Thomas Piketty, who has claimed that wealth-holders' assets outstrip the general growth rate of the economy as a whole. "From shirtsleeves to shirtsleeves in three generations" remains all too valid. What can, hopefully, be easier to protect across the decades, however, are the values that can and should matter to all generations. Lowenhaupt's book is a very effective explanation of how that is done.

Freedom From Wealth is published by Prager. ISBN: 976-1-4406-6552-7