

# VALUABLES

Ideas, Systems and Strategies for Managing Family Wealth to Fulfill Your Greatest Values.

## About VALUABLES

Many financial advisors focus on communicating with clients to provide complex analysis of the investment markets and economies. However, we have learned that most clients are not particularly interested in this complex analysis. Most clients hire an advisor for their knowledge of the markets, not for their ability to explain that knowledge. Most want to know what time it is, not how to build a watch.

Experience has taught us that wealthy families care most about using their wealth as a means to a desirable end, which is to achieve a more satisfying, fulfilled and impactful life, and to fulfill their most important Life Values.

**VALUABLES** is a periodic article series focused on the concepts, systems, and habits which we have observed among families who have been successful in this quest to use their wealth as a tool to live a life of significance. The most successful families share a set of habits, systems, and insights which enable them to use their wealth as a tool to fulfill their Values and what is most important to them.

We named this article series **VALUABLES**, because it provides an exploration of those habits, systems, and insights. We hope it will help you to consider your assets and possessions which are most valuable to you, and how you can use your financial wealth to enhance and cultivate your true "Valuables".

## Deflate - Gate

By Erik Strid

*"I'm very comfortable with saying no one knew. I don't know what happened during the course of the process with the football. I was preparing for my game."*

- Tom Brady, New England Patriots Quarterback

### Scandal in Foxboro

Unless you have been living under a rock for the last 2 months, or have absolutely no interest in sports, you are no doubt aware by now of the accusations of cheating which have been aimed at the New England Patriots and their quarterback Tom Brady. For those who have not heard the story, the Patriots recently won the AFC Championship game against the Indianapolis Colts, to win the right to play in the Super Bowl. However, the game's result has come under the shadow of controversy.

Late in the first half of the game, Colts linebacker D'Owell Jackson intercepted a pass from Tom Brady. As he came off the field and handed the ball to his equipment manager, he commented that the ball felt a little soft, and could possibly be underinflated. The equipment manager agreed, and reported this news to head coach Chuck Pagano, who contacted NFL officials at halftime and asked them to investigate. The NFL promptly confiscated all of the Patriots' game balls for examination, and found that 11 of their 12 game balls appeared underinflated.

This incident set off a national obsession with the story, among sports media and mainstream media alike. People everywhere became enthralled with the idea that Tom Brady, the NFL's "golden boy", might have possibly cheated by slightly deflating his game balls so that he could grip the ball a little better and gain a small advantage over his rival defense. For a week or so, you could barely turn on the television without seeing coverage of this scandal, which became affectionately known as "Deflate - Gate".

### Which Would You Rather Have?

We have no idea if Tom Brady and the Patriots really cheated, or if it was just an odd coincidence that their footballs were not inflated to the prescribed level. If they did cheat, we will probably never know for sure, as it will probably be impossible to prove. Either way, we are "purists" on this matter, and believe that if they did cheat, they should be punished. There has been a great deal of disagreement on this topic, and whether this is a punishable offense, or "no big deal".

There is one thing that almost everyone seems to agree on, which is that no matter whether the Patriots cheated or not, they still would have easily won the game, and the deflated footballs had nothing to do with the end result. The Patriots beat the Colts soundly by a score of 45-7, and even if the deflated footballs helped, they couldn't have possibly accounted for this lopsided score.

This fact gives rise to an interesting hypothetical question. In the imaginary circumstance in which you were faced with the prospect of playing quarterback in the AFC championship game, which would you rather have entering the game:

1. A “doctored-up” illegal football, or
2. Tom Brady’s arm?

Or a similar question, as regularly asked by our colleague Lee Brower in his book *The Brower Quadrant*: “If you had a choice between having Tiger Woods’ golf clubs, or Tiger Woods’ golf swing, which would you choose?”

Of course, you would choose to take Tom Brady’s arm, and his football skills, as opposed to the deflated footballs, because his arm is the real reason the Patriots beat the Colts to go to the Super Bowl. You would take Tiger Woods’ golf swing, instead of his golf clubs. In both cases, the skills and abilities that each athlete possesses are far more important and valuable than their equipment, or the tools they use to perform in competition.

### What Do You Pass On?

While this hypothetical question may be cute and amusing, what on earth does this have to do with family wealth planning? In order to answer that question, it is important to consider a broader definition for your family’s wealth, which we have defined as **Genuine Wealth**, and which includes the following:

- Your *Financial Capital*, which includes those possessions which we traditionally consider as “Wealth”, such as stocks and bonds, real estate, and business interests.
- Your *Human Capital*, which includes your loving relationships with family and friends, as well as your health, values, morals and character, spirituality, talents and abilities.
- Your *Intellectual Capital*, which includes your education, wisdom, experience, knowledge and contacts.
- Your *Social Capital*, which represents your commitment to philanthropy, charity and community.

To read more about *Genuine Wealth*, click [HERE](#)

In our metaphor, Tom Brady’s deflated footballs and Tiger Woods’ golf clubs are just the tools they use to express their real abilities on the field or the golf course. What really matters is their unique abilities to throw the football or swing the golf club, and those abilities do not depend on the tools they are using.

In the same way, you may consider that your *Financial Capital* is just a tool that your children and grandchildren might use, to express their ability to become successful in life. Perhaps the

money you have accumulated, or the business you intend to pass on to the next generation is just the outward sign of your family’s success, but what really matters is your ability to pass on your Human, Intellectual, and Social Capital to the next generations.

Just as Tom Brady would have won the AFC Championship using any old football, perhaps your children and grandchildren will find true and genuine success in life regardless of the money you leave them, as long as they inherit your Human and Intellectual assets.

Likewise, for those families who pass on a massive amount of financial assets, but do not focus on developing the Human and Intellectual capabilities of their families, it may be like giving your children Tiger Woods’ golf clubs and expecting them to go win the US Open.

Which would you rather pass on? Which would your kids appreciate more?

Finally, and most importantly – for all the time and energy many wealthy people spend planning the eventual distribution of their Financial Capital through estate planning – how much time and energy is focused on preserving the family’s Human and Intellectual Capital?

### A Valuable Message

We hope that you enjoyed our message in this month’s Valuable, and we love it when you share our articles. So feel free to post this on Facebook, Twitter, or any other form of social media. You might also feel free to email out to a friend or family member who might appreciate it.

At the very least, if you liked this message, do us a favor and visit our blog and “Like” this post to let us know, and be sure to leave a comment or question.

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