

## Protecting Family Relationships

Relationship breakdown in families due to failed “wealth” interactions is really common. Morgan Research found that 4 in 10 people reported a relationship breakdown over an estate. Business disputes, succession, family financial support, financial stress, marriage breakdown, blended families and even aged care are everyday causes of relationship breakdown.

When relationships breakdown, trust, generosity and care go out the window. What’s left is a cold war or a war zone where good financial outcomes are incredibly unlikely.

There are 3 key steps to protecting relationships (and hence family financial security):

1. Avoid complacency: The “it won’t happen to us” delusion. All families get on until they don’t, and then they can’t believe it happened to them. Tension and hurt are normal even in great families when unprepared for major life events and competing interests.
2. Accept that the way our brains are wired to deal with hurt and conflict is often counter productive in family dealings. (see below)
3. Each family member agrees to simple steps to protect relationships by limiting hurt and escalating conflict. (see below)

**Brains:** Family tension and discord are normal because of the way our brain structure has evolved. For zillions of years the animals that survived were the ones that had responses that protected them from threats:

- Brains which automatically remembered circumstances that inflicted threat or hurt.
- Brains which automatically triggered emotional responses when they encountered situations similar to previous threats; freeze, flee or fight.
- Automatic “emotion sensing” such as the capacity to recognise anger or attack just from looking at face or body language.

These were great for survival: for example, it made sense to remember where the sabre tooth tigers hung out, and it made sense to respond quickly to the sound of a twig breaking. Our ancestors were the ones who responded every time they heard a twig break even if there was nothing there. They lived long enough to breed. The people who waited to find out if there was something there did not live long enough to breed!

Our 21<sup>st</sup> century brains are built on the same brain wiring. The difference here is that the “threats” are a lot less physical and much more emotional. We automatically remember and respond to situations where we are likely to feel hurt, humiliated, let down, angry.

Most of the time we are “aware” of our feelings, keep a lid on them and try to make reasoned decisions (or at least think we do).

However stressful life events such as death of a family member, financial stress, illness, divorce, business interactions or even feeling severely let down by family can trigger a flood of defensive emotions. These are normal but if not reined in are likely to create more hurt. It is hard to trust

people who hurt you. Hurt can push family further apart – sometimes a war of silence (the elephant in the room) and other times a battle ground. It makes sorting things out more difficult.

Not only do stressful life events more often than not involve family. There are 6 other factors at play:

1. Family are the people with whom we've had the most time to build a memory bank of difficult interactions starting from early childhood. It's normal to have more "history"; not just more "buttons" to press but also more "sensitive" buttons with family members. Even more so for family who work together and couples.
2. It's likely that we are also more frustrated by family conflict because deep down we feel that family are the people who would be most sensitive to our needs.
3. Authority confusion often arises. For example, adult children feel that their parents are treating them like children, parents feel they are being treated like children, siblings feel like the others are talking down to them etc.
4. Commercial realities conflict with family values. Families are about family good, generosity and support. Commercial realities are about individual rights. Assets are owned or controlled by specific people and can be used as they wish. These people have final say and are likely to become frustrated if that power is not respected (most often parents to start with).
5. Families are typically unprepared for life events (even though those events are certain or likely to occur). We list 13 such events including death, disability, financial difficulty, relationship breakdown and of course family business arrangements. When grief (or frustration and anger) combines with confusion, uncertainty and past hurt, the risks of a full blown bunfight and poor outcomes are high. Creative solutions are extremely unlikely when individuals feel threatened or hurt.
6. Finally are the ways family members respond to conflict. Not many people have great patience and negotiating skills. Even if they do, they may not be able to use them with family. When interactions become hurtful some family members ping pong between firing up and shutting up. Others will simply withdraw particularly if they feel they are not being respected. This particularly applies to parents. (When asset owners refuse to talk, everything stops). And many will put the matter in the too hard basket in preference to more difficult interactions. Over time unresolved matters fester as a frustrating, doubt creating and possible hurtful reminder that family inability to deal with sensitive issues.

### **What then are the key actions to protect family relationships?**

1. Each individual decides to be aware and manage how their emotions impact their thinking – the way they see things.

Defensive emotions distort thinking. Thoughts become more black and white than reality (he always does that to me!). Defensive thoughts jump to conclusions with great certainty (she did it to hurt me and for no other reason). Disengage, escape or fight are the core responses. This sort of thinking was good for survival in the jungle but not good for getting good outcomes with family.

2. Each family member decides to be aware of how defensive emotions impact communication and that is really good to avoid further hurt.

First is to recognise that emotions happen. Feelings are what they are. We might be able to influence how we feel in the future, but if we feel sad, mad, scared or glad, then that's what happened. We can however choose what we do next.

When emotions kick in it can be difficult to say things nicely or avoid saying things that hurt. Instead, families can agree that it sensible that any family member can ask for time out – stop talking about the issue. Have a break. Determine if necessary to set a time to talk later. Protecting relationships from further hurt is incredibly valuable. No one can forecast when the level hurt reaches a new level of discord or worse, the point of no return. Even if self interest is your only motive, then limiting further hurt is vital.

3. Each family member agrees to talk regularly with each other about safe stuff; the weather, footy, politics, your day etc. Some people and some families are incredibly good at this and others need to learn how. The bottom line is that every “safe and warm” interaction increases the volume of “good memories” in our emotional brain. The more good memories, the more trust, the “safer” the interactions and the greater our capacity to be creative and to handle difficult issues. Much more fun and cheaper than a bunfight.
4. Each family member takes responsibility for contributing positively to developing and updating a flexible family wealth plan.

The plan is written down and understood by family members. It is preferably written up as a family deed of agreement signed by all family members (which of course include partners).

It sets out family position, direction, goals and hopes, strategies (the whys, whats and hows), and in particular, what will happen if the predictable life events happen. It is a living flexible plan which is only rigid where that's what's needed.

If the planning process is done well it positively impacts the thinking of each family member. Family members are more likely to be on the same page and prepared for what is likely to happen if/when predictable life events occur. Confusion is less likely.

And if the “deed” is signed off by each family, then family are less likely to get caught by the normal way understandings and memories are distorted by feelings. Our brain automatically tweaks our recollections to suit our feelings and self interest. A signed off deed is often all that is needed to jog memories and get recollections back on track.

5. Finally, it is vital to recognise that achieving this requires family members to set aside the time and commitment, to avoid the temptation to put it off until things are quieter. Some life events can happen any time. The longer misunderstandings exist, the more dangerous they are and the harder they are to fix. Protecting family relationships requires commitment to invest time and bring in the right expertise. Often it can require sensitivity, respect and patience to get the ball rolling and persistence to keep it rolling. Like most things, it can be done badly or it can be done in a way which strengthens family relationships, trust and effectiveness.