



The 'Secret Sauce' of Thriving 100-Year Families

A new study points to a shared commitment to community, service and philanthropy.

[Bruce DeBoskey](#) | Oct 18, 2019

When working with affluent families, I often hear the common warning: “Shirtsleeves-to-shirtsleeves in three generations.” This quote suggests that a family’s wealth often disappears by the time it reaches the grandchildren of the wealth-creating generation.

This saying is thought to derive from an even older English proverb: “There's nobbut three generations atween a clog and clog.” Some version of it appears in many languages. In Japan, it appears as: “Rice paddies to rice paddies in three generations.”

Over the generations, most families hope to preserve not only their wealth but also their family values and connectedness. Unfortunately, 70% of affluent families fall short. [Preparing Heirs](#), Roy Williams & Vic Preisser 2014, demonstrates that the families that do succeed share a number of factors. Near the top of that list is a shared commitment to community, service and philanthropy.

Family Values Key to Success

A new study of 100 very wealthy families from 20 countries confirms this conclusion. These “centennial families” (which had preserved their wealth for 100 years) have been able to maintain a shared identity and close personal family bonds through successive generations.

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The study is [Social Impact in Hundred-Year Family Businesses: How Family Values Drive Sustainability Through Philanthropy, Impact Investing and CSR](#), conducted by Dennis Jaffe, Ph.D., Isabelle Lescent-Giles, Ph.D. and Jamie Traeger-Muney, Ph.D.

It suggests that families lacking clear values and a purpose for their wealth tend to fragment and split up—beleaguered by entitlement issues and disconnected from their communities. Building a strong sense of purpose and mission around social impact helps foster family cohesion—and long-term success.

Successful centennial families reported that the benefits of engaging in values-driven social impact activities extend way beyond fostering cross-generational connections. It also creates shared purpose and alignment among the families, their business and their communities.

Engagement Leads to Business Success

Social engagement also contributes to long-term business success and sustainability, legitimizing the role of a family in its community. For these successful centennial families, “profit,” “people” and “planet” are not merely words on the cover of a glossy corporate social responsibility report. They’re criteria by which to evaluate options, make decisions and measure success.

Engagement creates more purposeful and meaningful work, fosters client and employee involvement and provides an opportunity for the rising generation to lead. Overall, these successful families found that social and environmental concerns are powerful, effective drivers of growth, cohesion and cross-generational engagement with the family enterprise.

Legacy Values Applied to New Social Concerns

Co-author Jaffe reported that the most surprising finding was that “social impact projects were most often introduced by younger generations, but they connected to the legacy values of their parents, and took the family in a new direction that blended that legacy with new, innovative social concerns.” (Email correspondence, Sept. 25, 2019) He concluded that “the world of 21st Century family philanthropy is broader, more global and more active than the projects and initiatives of earlier generations.” (Email correspondence, Sept. 25, 2019)

The study said that successful centennial families “often work with an outside advisor in wealth and philanthropy to implement best practices and maximize impact through informed decisions. These families want to go beyond simply writing checks or giving grants ... shift(ing) from heartstring giving to more strategic philanthropy, driven by clearer goals and proactive, rather than reactive, decisions.”

The study’s conclusion aligns with my experience:

Working together as a family to do good, particularly in one’s community, becomes a powerful win/win, benefitting not only those to whom the service is directed but also the family as a whole. It deepens family relationships and brings them the joy of making a positive difference in the world. For the families in our study who worked together and combined financial giving with giving of their time, the impact of their philanthropy and

their connection within the family increased exponentially. This is particularly impactful for the rising generation.

Although this study focused on very wealthy families, its lessons can apply to all of us. Ask yourself, “How connected and engaged am I with my grandparents, or my grandchildren? How about other descendants of my grandparents?” If your family emphasizes values, community and philanthropy, the connections are likely to be strong.

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