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Grappling with a wealth of guilt

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Young heirs seek moral balance between inherited windfalls, social responsibilities

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One night in Adams Morgan, the sons and daughters of lawyers and corporate executives padded into a friend's rowhouse for a kind of group therapy session about their families' wealth.

They are young people who have inherited or stand to inherit big money, and they are spending their post-college years living modestly and working to address the needs of the poor, hungry and politically disadvantaged. But the privilege they grew up with and the money coming their way nag at them in ways few people not in their position can fathom.

Burke Stansbury, 33, a nonprofit administrator who inherited \$1 million in stock three years ago, opened up about how his newborn's breathing problems were forcing him to reconsider how much of his fortune he should use for his family and how much to give away.

"Those of us with wealth and progressive values resist the privilege and actually deny it because of this inequality that exists in society," said Stansbury, who has spent his time since college working for a nonprofit organization devoted to labor issues in Latin America.

"We're not going to accept that form of privilege," he said. "But when it comes to [my son's] health care, we're not going to mess around. You're going to take advantage of [the money]. It's a real blessing, but it's not fair."

The dinner in Adams Morgan was held at the home of a private school teacher who inherited \$1.5 million. It was a rare chance for members of the Resource Generation, a nonprofit group whose 35-and-younger members devote themselves to philanthropic work for social justice, to talk about their guilt and their views on social inequalities without fear of eye-rolling from people who might view them as spoiled rich kids playing at helping the downtrodden.

"Can I share something on my mind?" asked Liz Goldberg, 25, a nonprofit development associate whose father is a partner at the consulting firm KPMG. "I have epilepsy, and I require certain things over the year. Most recently, it was an MRI, and I can't afford it on my own, so I am forced to rely on my parents. I think of myself as independent, but I am not able to reconcile that payment."

Janelle Treibitz, 28, a part-time waitress who performs with the Puppet Underground performance group, which raises money for grass-roots organizations, could relate.

"In Vermont [this year], I broke my finger and didn't have insurance," said Treibitz, whose father is chief executive of a Colorado company that designs visual presentations for court trials. "I got my X-ray and

gave [the hospital] a fake name and walked out. Is that okay that I am doing that -- taking up resources because I am refusing to take money from my parents?"

Inspired and challenged

The young wealthy are keenly aware that there is little public sympathy for the moral doubts they struggle with. In a harsh economy, few people worry about the insecurities of heirs in their 20s and 30s who choose to work in social change philanthropy.

But these young people represent a huge amount of money, and some feel not only inspired but also challenged by the choices they face.

Since the late 1990s, after a Boston College study concluded that \$41 trillion would be passed from one generation to the next over the first five decades of the 21st century, several banking and nonprofit organizations have initiated programs catering to the emotional and financial literacy needs of young heirs. (The tally of wealth that will be inherited has since risen to about \$50 trillion, according to the college.)

This year, the Council on Foundations started a Next Generation task force to explore ways to support young philanthropists.

Washington's chapter of the Resource Generation, many of whose members work in the arts, education and other nonprofit groups, has forged connections by giving young heirs a place where they can divulge their insecurities. At the recent dinner, those who have not inherited their wealth grappled with their decisions to live a low-wage existence in Washington.

"I definitely feel like I am at war between my desires instilled in me to eat out at nice restaurants and my better sense and principles," Treibitz said in an interview. "If I make different choices when I am older, I hope to God they're coming out of principles. Everyone changes. My great-grandmother was a communist in her 20s and a total conservative in her 90s. I won't rule out anything."

The stratosphere of wealthy Americans of any age has shrunk in the past two years. The number of children of millionaires has decreased from 26 million in 2007 to 19 million, according to the Center on Wealth and Philanthropy at Boston College. The number of millionaire homes in which the head of household is 35 or under has also dropped, from about 370,000 in 2007 to about 250,000, according to the center.

Juggling ambivalence

For Stansbury, who works at the [Committee in Solidarity with the People of El Salvador](#), housed above a Mount Pleasant church, his \$1 million inheritance at age 30 triggered crosscurrents of ambivalence.

He grew up in Seattle, the son of a lawyer and interior decorator, went to private school, played lacrosse and enrolled at Georgetown University. But he disliked the college's preppy scene, so he dropped out after a year and traveled around Mexico with a friend in an orange 1974 Volkswagen pop-top van.

"In Mexico, I saw really extreme poverty," said Stansbury, who lives in a \$1,600-a-month one-bedroom basement apartment in Mount Pleasant with his partner, Krista Hanson, and their newborn, Lucas. "I saw deforestation. I saw more problems in the world than I saw in my private school. I saw an uprising in Chiapas of indigenous people -- corn farmers -- against trade policies, and I discovered solidarity activism."

When he returned, he transferred to the University of Montana. After graduating, he began working on behalf of Salvadorans. He was making \$25,000 a year at the Solidarity Committee and now works there part time. At 30, he inherited \$1 million in a trust set up by his grandfather, John G. Molz, who made his money in real estate and a wine business.

Stansbury has invested his inheritance in "socially responsible" mutual funds, he said, and monitors his investments closely.

When he learned that Costco was opening a store in Mexico that would entail cutting down trees and displacing a "sacred community, I put together an action at a shareholders meeting," he said. "They opened the store but made concessions. People were still upset, but the company clearly got the message."

At Resource Generation meetings, Stansbury vents about politics and critiques his inheritance, which he says perpetuates social inequalities and what he views as an insulated upper class. (He supports increasing estate and capital gains taxes.)

Life's complications

When Nigel Greaves joined Resource Generation, he found the members' hand-wringing about inherited money a bit much.

"The conversations were hard for me to hear at first," said Greaves, 32, a filmmaker who does not come from wealth but joined the group because he believes in its social change mission.

"This idea of guilt and not understanding or knowing what you can do with the money can be frustrating for someone who doesn't have a familiarity with the group. But I have more of an appreciation of that journey now."

But for those with money coming their way, the questions seem to get harder. Now that he has a child, Stansbury said he can no longer view his inheritance as a pot of money to be donated to causes. "We've just started thinking about it. I want to provide the best health care for Lucas, which is going to be a real need."

What about nannies and private school?

"I'd like to have my kids be exposed to more diversity, something less sheltered than where I went to school," said Stansbury, sitting in his living room and surrounded by books on subjects such as Karl Marx and the farm crisis in Mexico. "It depends on where we live."

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