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March 20<sup>th</sup> 2025

# Affluent Families and Substance Use Disorders

What Every Trusted Advisor Needs to know

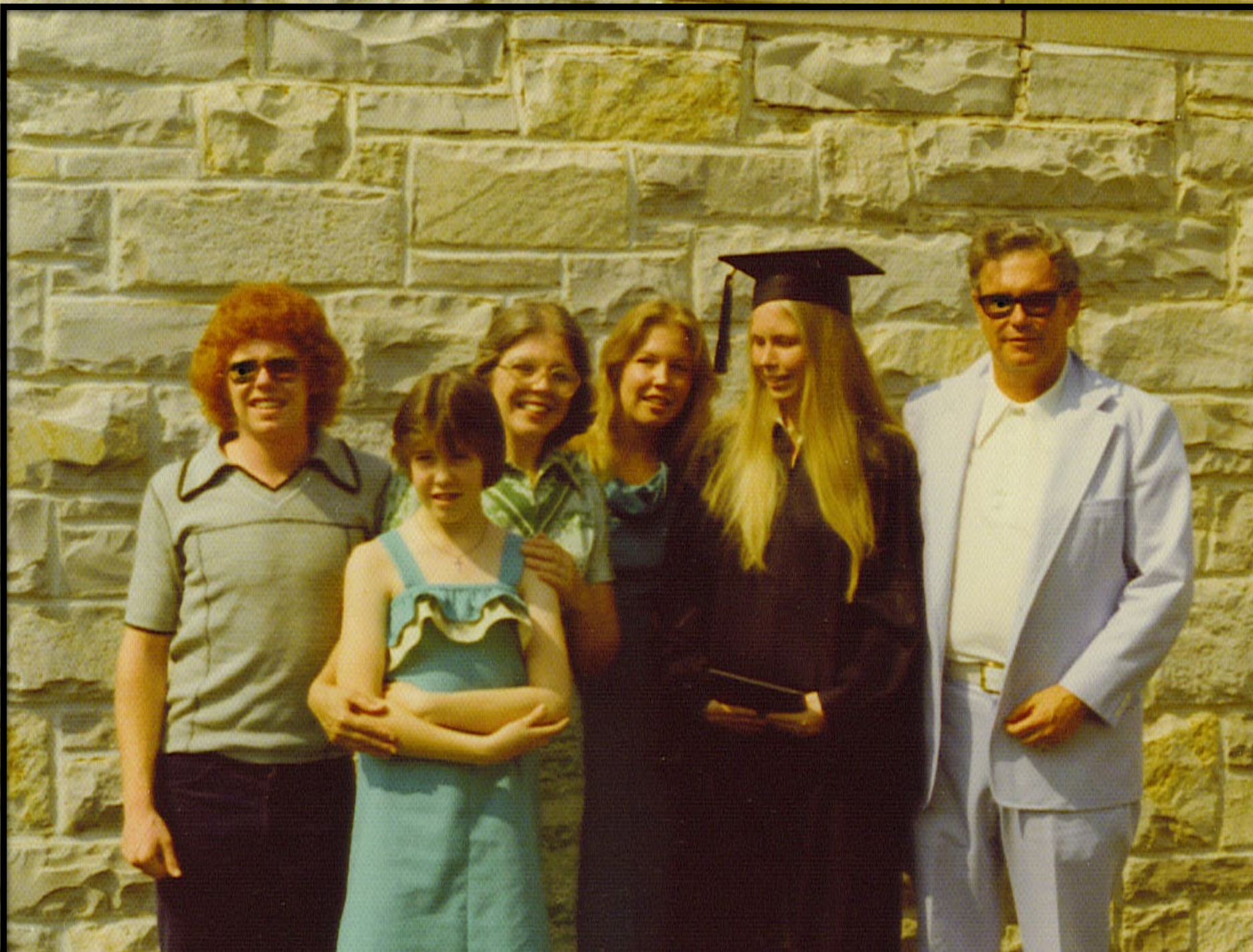
# Key Topics:

- ▣ **What do you believe about Substance use Disorders?**
- ▣ **Impact on the Client Managers, Family Office and Advisors AKA Countertransference**
- ▣ **Governance Documents; Trusts and Family Businesses**

# TODAY'S OBJECTIVE

Provide participants with new tools  
and useful examples used in  
addressing addiction in complex  
family systems.





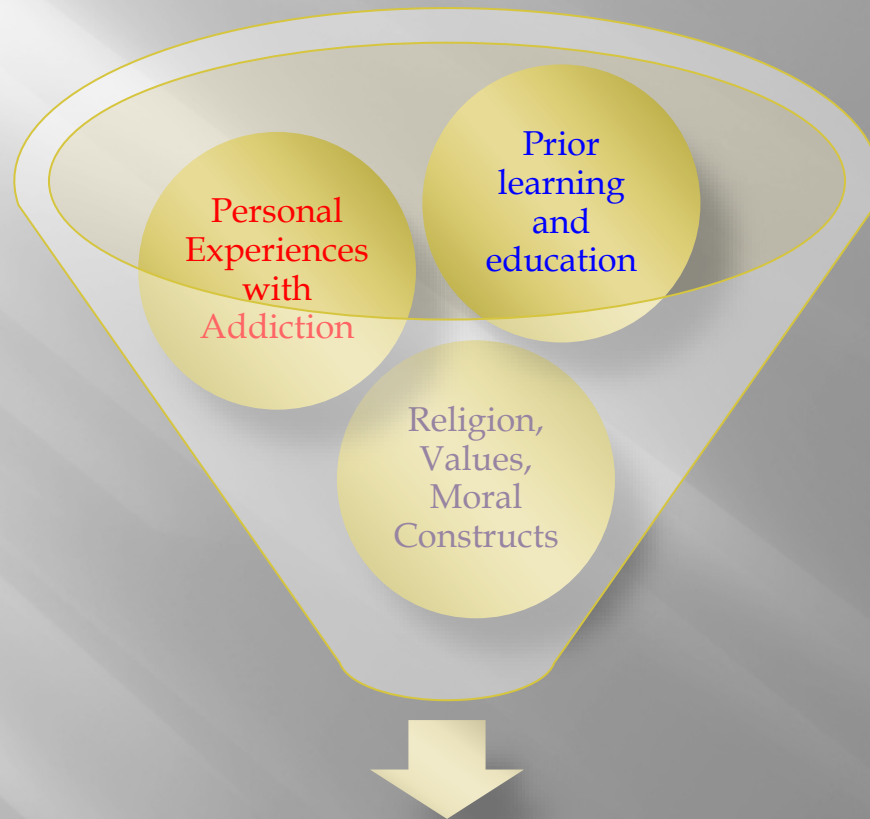


## Looking Good?

- At this stage in my life, age 19. I was drinking 4 out of 7 days a week, smoking pot almost daily.
- 4 Years in my future both mom and dad died 52 years old.
- Do I try to succeed my father in his businesses?
- 



# Audience Gut Check: Be Real



How you might respond

# POLL QUESTION #1

Addiction is a bad habit and the result of over indulgence and lack of moral values.

1.Strongly  
Disagree

2. Disagree

3.Undecided

4.Agree

5 Strongly  
Agree

# POLL QUESTION #2

Treatment for Alcoholism and Drug Dependence is not very effective and very expensive to treat relative to other illnesses.

1.Strongly  
Disagree

2. Disagree

3.Undecided

4.Agree

5 Strongly  
Agree



# POLL QUESTION #3

An addict needs to hit bottom and want help before treatment can be effective.

1.Strongly  
Disagree

2. Disagree

3.Undecided

4.Agree

5 Strongly  
Agree

# POLL QUESTION #4

I know someone close to me who is either actively addicted or in recovery.

1.Strongly  
Disagree

2. Disagree

3.Undecided

4.Agree

5 Strongly  
Agree

# POLL QUESTION #5

Alcohol and drug abuse are a leading cause for domestic violence.

1.Strongly  
Disagree

2. Disagree

3.Undecided

4.Agree

5 Strongly  
Agree



What you believe about the problem will almost always dictate how you approach the solution.



Our ability to help our clients and families in the area of addiction means doing a gut check on our attitudes and beliefs about this problem.

## Addiction is a Brain Disease

### **NOT:**

- Secondary to another psychiatric illness
- A moral or ethical problem
- A personality disorder
- A choice

**Dopamine is the culprit!**

# Free Will and Choice

- Addiction is a disease of the will marked by a progressive loss of volitional control over Alcohol and drug use.
- Addicts cannot be relied upon to act in their own best interests in regard to this illness
- The capacity for volitional control over Alcohol and drug use is variable across individuals and dependent on problem severity/complexity and recovery capital.



# Expecting a Rational Response to Being in Danger



# FREE WILL AND CHOICE



Recovery can be viewed as the  
progressive rehabilitation of the will  
and the power to reclaim personal  
choice

# Key Concepts

- Disease vs. Individual Flaw or Moral Failing
- Chronic Illness vs. Episodic Cycling
- Managed vs. Emergency or Acute Care
- Systems vs. Individual



# COUNTERTRANSFERENCE

Discovering your Blind Spot's

# What is it?

- ▣ Countertransference is a psychological concept that occurs when a therapist (Advisor) unconsciously projects their own emotions, experiences, or unresolved conflicts onto a client.



## The Business Sector Use of CT Training

- Wealth Advisors
  - Family Business Advisors
  - Family Office Professionals
  - Family Firm Institute Advisors
- ▣ Why they are interested in CT?
    - Positive relationships
    - Client retention
    - Advisor retention
      - ▣ Integrity/ Authenticity
      - ▣ Managing Stress
      - ▣ Speaking Truth to Power
      - ▣ Best practices

# Some common triggers for Countertransference

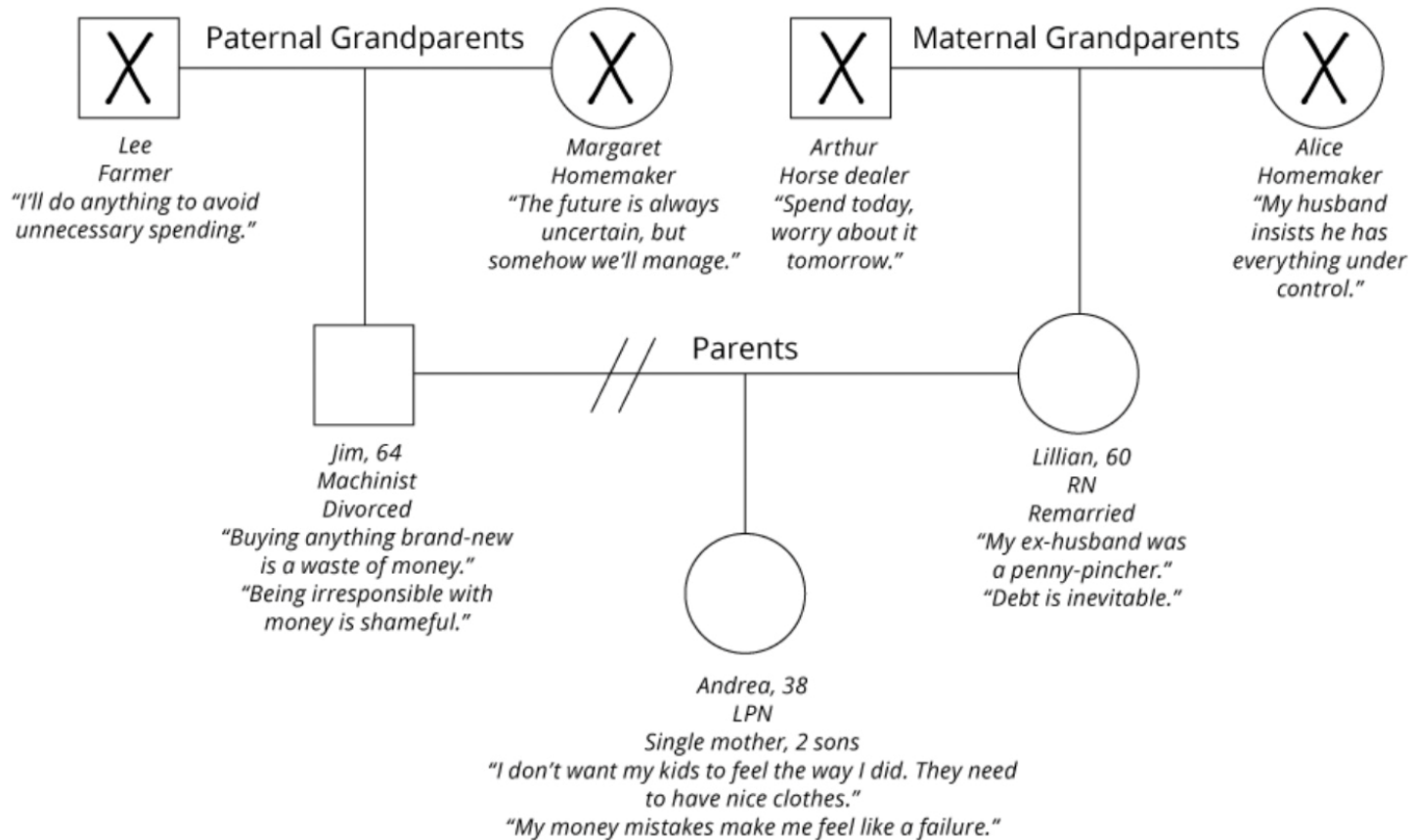
- ▣ Politics and Values
  - The emotional drain of today's political climate
- ▣ Personal Finances (universal)
- ▣ My Understanding of Substance Use Disorders
  
- ▣ Financial Success vs Access to Wealth (you and the client)
  - Intimidation
  - Shame
  - Self Doubt

# My initiation to CT

- ▣ Enjoyed the challenge
- ▣ Caught not knowing what questions I should have been asking
- ▣ Loss of control about the “how” of the work
- ▣ Intimidation
- ▣ Fee's and Affluence

# Doing your homework

## Your own Personal Money Genogram



# A Statistically Probable Disease







# Iowa



# Penn State





# Any Spring Break



# U.S. National Survey on Drug Use and Health 2006\*

- Alcohol Use Disorder - 10.5% of the US population over age 12 (30 million people)
- Illicit Drug Use Disorder – 7% (20 million people)
- Opioid Use Disorder 2.2% ( 6 million people)
- In 2022 someone overdosed and died every 6 minutes. (80,000) twice the number of motor vehicle fatalities.
- Drug use among adolescents has been declining
- Only about 10% received treatment
- 20 million people with drug and alcohol problems are untreated

\*Conducted by SAMHSA – the Substance Abuse and Mental Health Services Administration,  
a U.S. Government Agency

# World Health Organization

- Recognizes that alcohol and drugs are a significant factor evaluating global health
- Established a global information system and programs to assist countries with the problem
- 283 million people with alcohol use disorders worldwide
- 40 million people with drug use disorders
- Injection drug use reported in 136 countries, with 93 of these reporting HIV infection among this population

# Leading Causes of Death (U.S.)

- Heart Disease
  - Cancer
  - Stroke
  - Respiratory Disease
  - Accidents
- ▣ *Alcohol and Drugs, including nicotine use, contribute to all leading causes of death.*

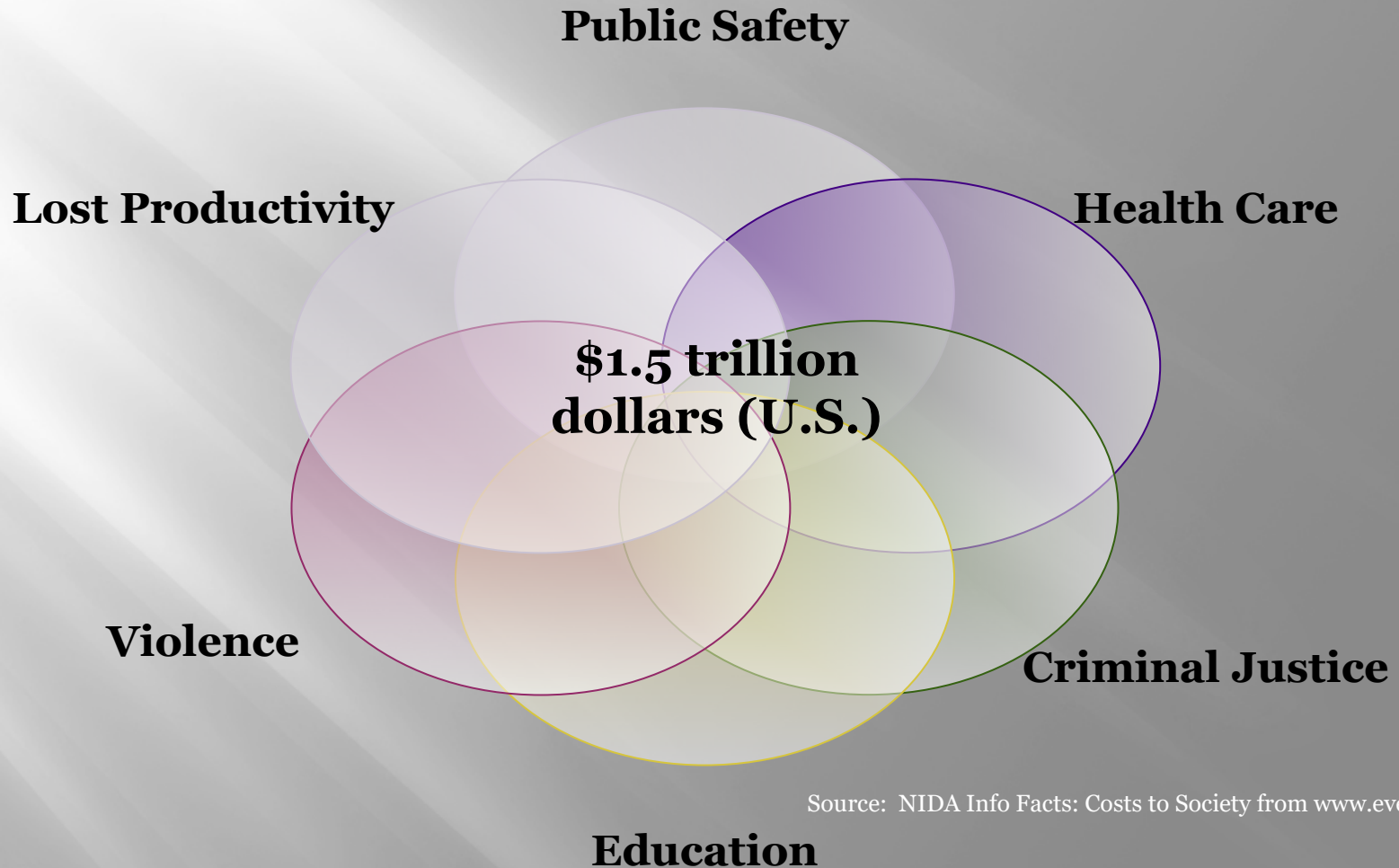


# Immeasurable Costs

- Loss of dignity and self respect
- Damage to relationships
- Chronic health problems
- Isolation
- Premature death



# Widespread Economic Impact



Source: NIDA Info Facts: Costs to Society from [www.evernote.com](http://www.evernote.com)

# A FEW OF THE ACTORS IN THE DRAMA

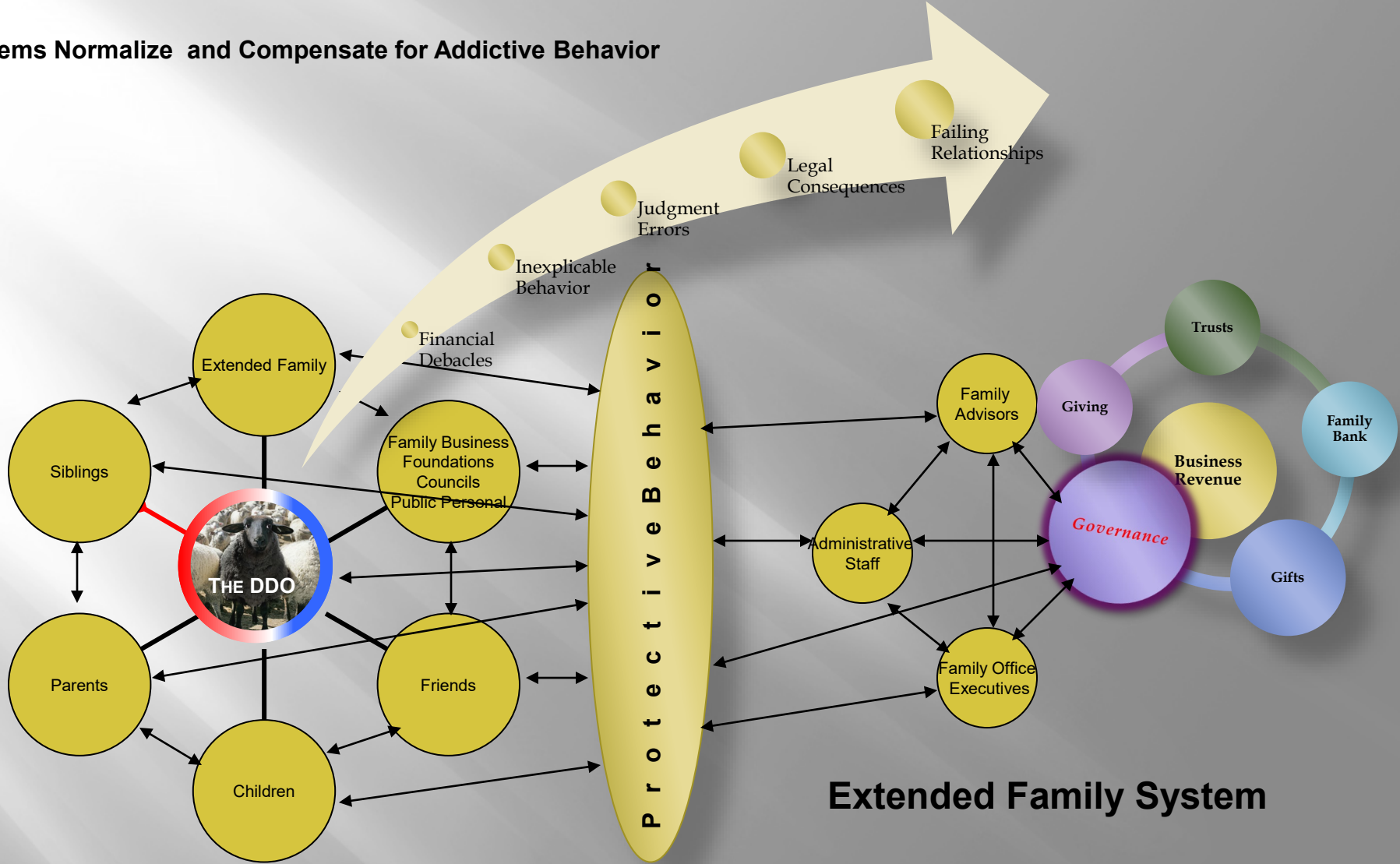
Every System is perfectly designed to  
achieve its result

# Families and Family Systems

- ▣ “Family” means a group of people with close ties and common interests, this can be a biological family, an affinity or friendship group, a work group, or any other close network of people.
- ▣ The “extended family system” is the structure, dynamics, and the rules that govern the group - though they may never be acknowledged openly.



**Systems Normalize and Compensate for Addictive Behavior**



**Family System or Enterprise**

**Extended Family System**

## The Agent

Public facing representative who manages all of the addicted clients unmanageability. Usually a trusted senior advisor, attorney, or friend who protects the reputation of the addicted client by driving and executing on the deliverables the addicted client is responsible for. They provide the “executive functioning” that has substantially diminished due to their addictive lifestyle.



## The Banker

Accessible online, face to face, or via personal hotline-inclined to say “yes” no matter what the request. This role could be fulfilled by Mom, Dad, or a professional relationship. This person may be resigned to getting nothing in return, and hope for the best.





## The Svengali Character

Protects and makes elaborate excuses, preserves the status quo at all costs, and has a vested interest in preserving the addicted lifestyle.

Often has a dual relationship with your client: “personal friend” and “chief supplier” of something, or has some never ties that are never fully understood by everyone.

Svengali will almost always have a financial interest and has procured his preferred business status based on his/her manipulation of the addicted client.



## The Black Hawk or Fixer (Rescue and Preserve)

This is the most classic role or the “enabler”, though with zealous twist. As employees, or family members they protect the reputation of the family name at all costs. They may do anything, legal or illegal to give their family or “offspring” the advantage.

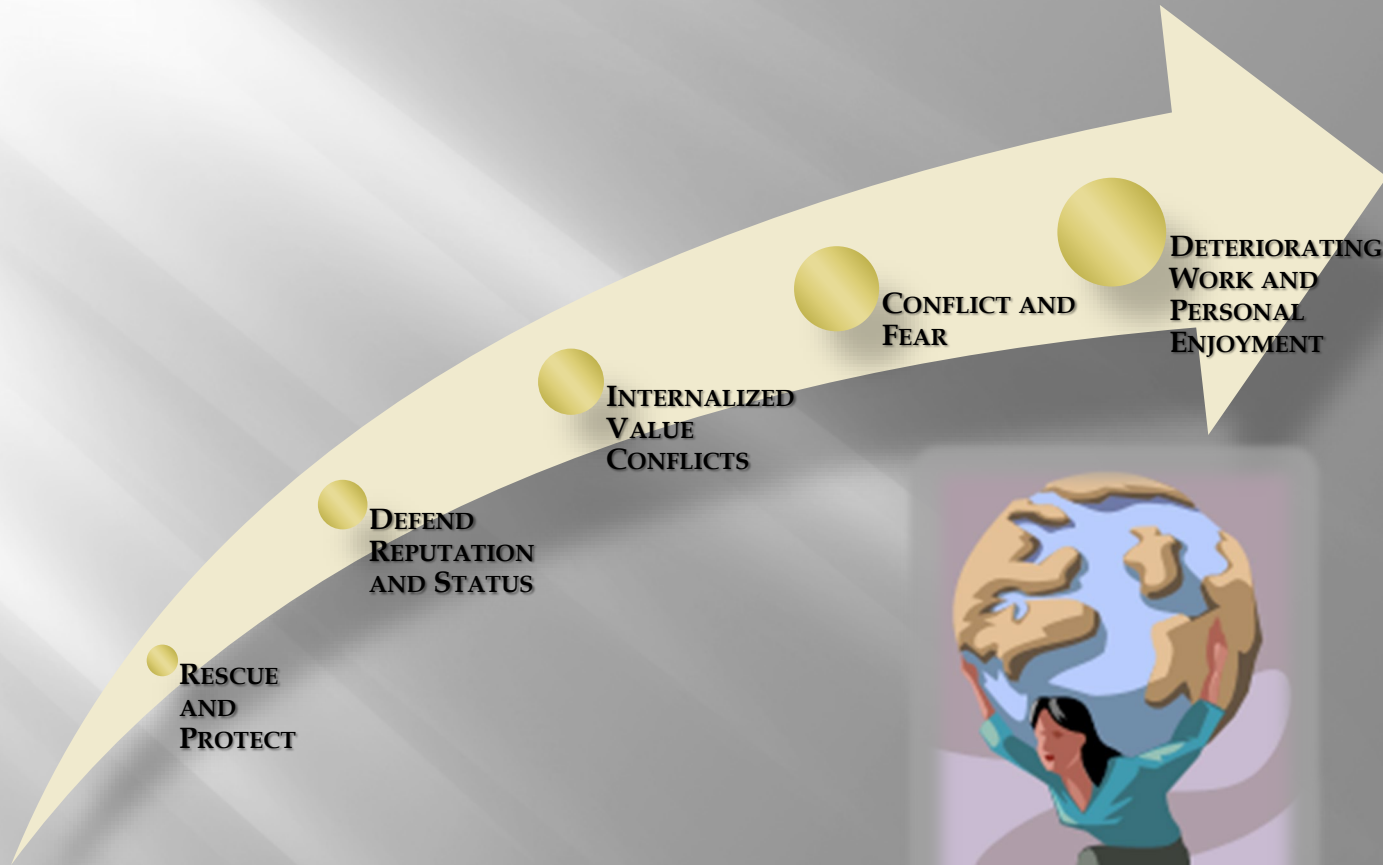


# If you are a trusted advisor you are part of the family system

- ▣ What hats to you wear?
- ▣ If you are a trustee or financial advisor what are your boundaries in executing your role?
- ▣ Who is responsible for educating beneficiaries about their role in the relationship?



# IMPACTS



# Business/Family Impact

- Higher absenteeism
- Lower productivity
- Utilize more health benefits
- Higher accident rates
- Higher incidence of social problems such as legal issues, psychological problems and domestic violence
- Family members experience this as well as the individual alcohol/drug user

# Effects on Trustged Advisors

- Eighteen areas identified in the list affect all professionals to some degree.
  - Low morale, high stress and delayed information and help
  - Responsibility without authority
  - Must have proactive system led by people authorized to act

# Defensive Mentality – Protect and Conserve

*Those in the System of Addiction Respond in Similar Behaviors:*

*Denial*

*Minimizing*

*Control*

*Rationalizations*

*Solutions for Dealing with Alcoholism and Drug Addiction in Affluent Families: What Account Managers and Family Office Need to Know Appendix*

# ADDICTION AND TREATMENT

## A Brief Primer



# Addiction Concepts

- Disease: Where am I on this?
- Effective Treatment: Acute vs. Chronic
- Addiction Education
  - Loss of Control
  - DSM IV (the legal standard)
  - Brain Disease ? What are we learning?

# Changing focus

From managing the symptoms of the disease  
(enabling the addiction)

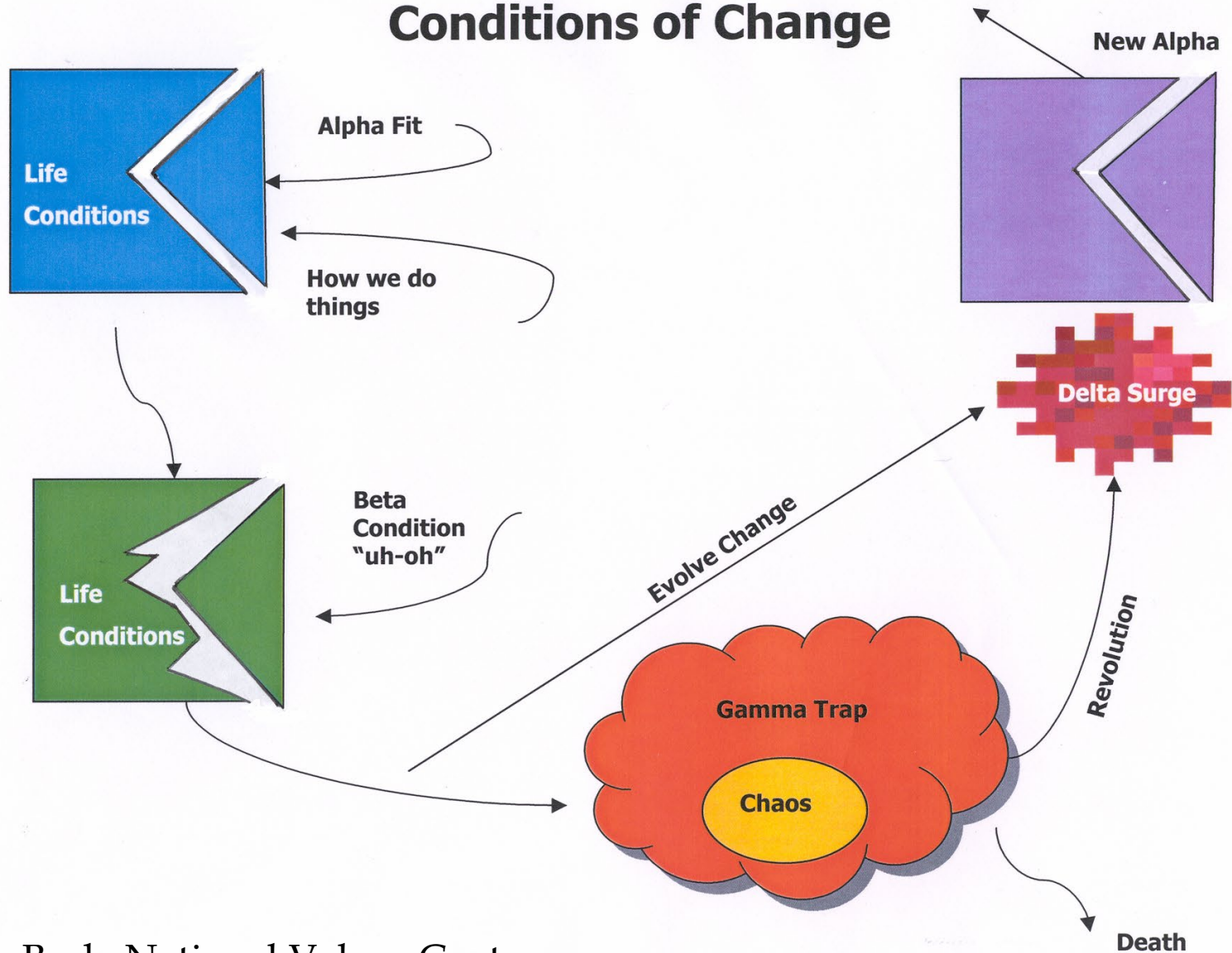


To managing its treatment  
(enabling recovery)

# System Survival Tactics

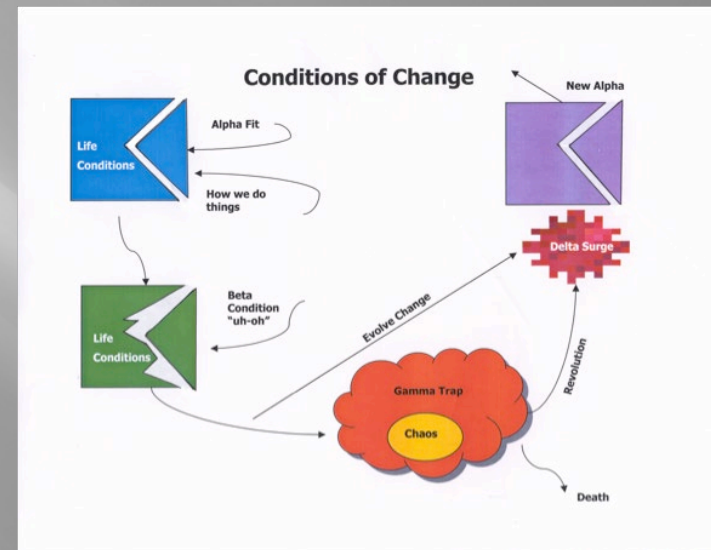
- Denial - Minimizing - Avoidance
- Controlling - Enabling - Caretaking
- Fear - Procrastination
- Anger - Blame
- Rigidity - Perfectionism

# Conditions of Change



# Creating the Environment for Change

1. What and Who has absorbed and accommodated the addictive behavior?
2. What and Who could interrupt this accommodation, and will it create the necessary conditions for change?
3. What and Who has the capacity to make the necessary changes?
4. How likely can these changes be sustained?





# Creating the Environment for Change

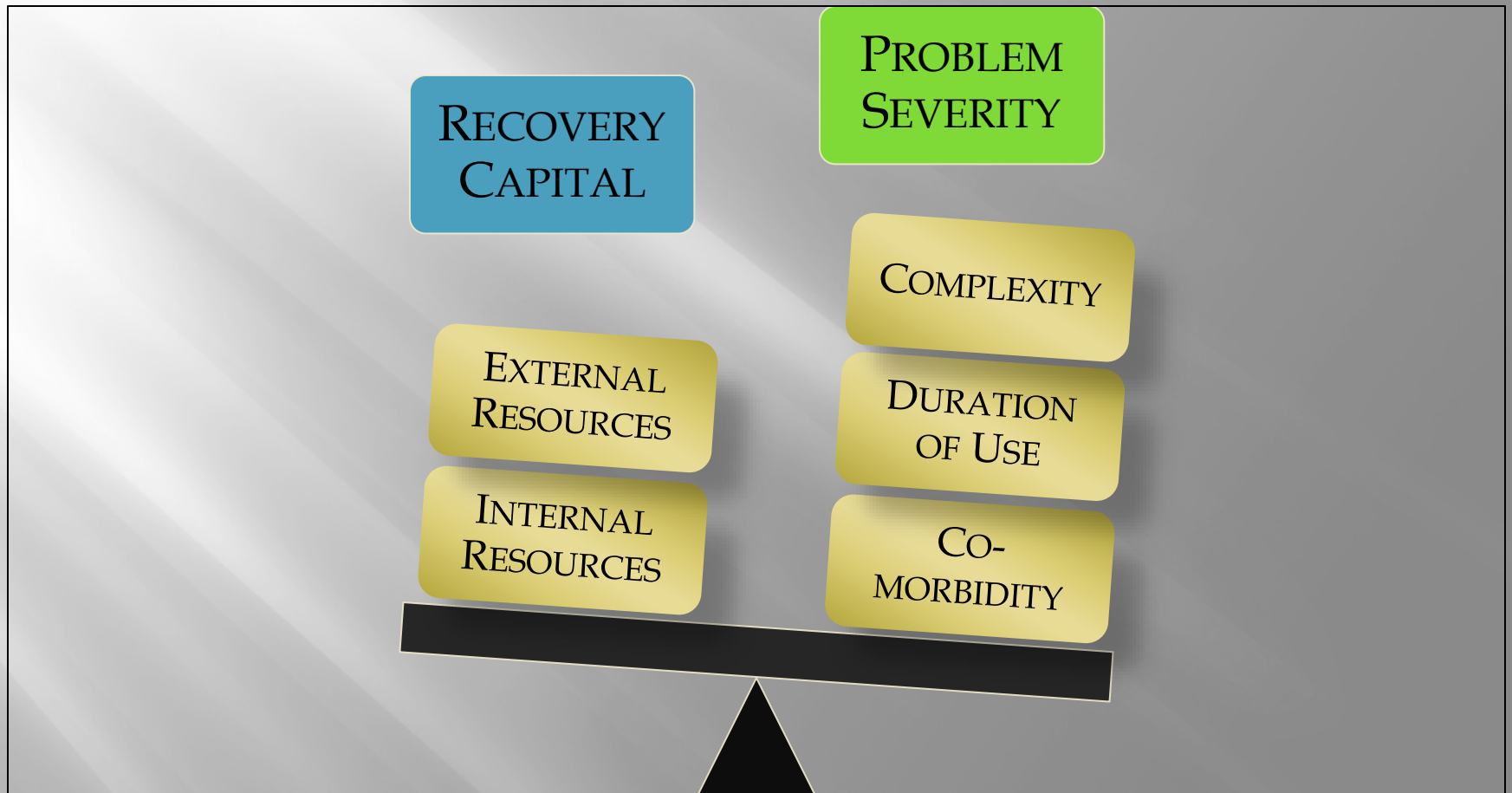
## FAMILY

- ▣ Must be engaged and educated
- ▣ Alliance and support of decision makers
- ▣ Short and long term leverage analyses
- ▣ Identify short and long term changes for family
- ▣ Alignment of values and beliefs

## MACRO SYSTEM'S

- ▣ What or Who?
- ▣ Sacred Cows
- ▣ Short and Long Term leverage analyses
- ▣ Identify short and long term changes

# Intensity, type, and duration of treatment



# Not a question of if, but when

- Statistical Probabilities – Normalizing Addiction
- Successful Recovery Models
  - Pilots and physicians have very high first time recovery rates
  - (NWA Pilots: 97% first time recovery rates)
- Go with the data – not opinion

# Three Steps

- Anticipate the problem
  - Bring in Family Leadership
  - Normalize and Initiate Education about these Concepts
- Build Leverage into your Documents
  - Legacy documents, trusts, estate planning, wills.
  - Trustee Education and Guidance
- Discuss in Advance so Family Members are on board
  - Addiction
  - Beneficiary Preparation
  - Trustee/Family Business Expectations



# A. Trust and Estate Planning

- Trusts
  - Incentive Provisions
    - See *Incentive Trusts: The Good, The Bad and the Ugly* (App. A)
  - Restrictions, Professional Advisor and Evaluation Provisions
    - See *Demise of Trustee Discretion*, 20-23 (App B)
  - Expectations as to Beneficiary (The Jay Hughes concept)
    - See *Trustee Discretion* (pages 2-4 and page 25)
    - See *Incentive Trusts*, pages 14-15

# *Treatment Outcomes for Physicians and Pilots Treated for Alcoholism and other drugs:*

*The United States Navy enjoys a 95-97% return to flying status rate in its pilots treated for alcoholism.”*

*- Joseph A. Pursch, M.D.*

*“Since the inception of its impaired pilot program in conjunction with the FAA and ALPA EAPs, UAL has an 87% return to flight status rate in pilots treated for alcohol problems.”*

*- Stanley Mohler, M.D.*

*Over 90 % of Physicians treated for addiction in a peer group setting with long term tx and monitoring are continuously sober at 5 years*

# Things we do for Pilots and Physicians:

1. Medical Detoxification
2. Inpatient or Residential Treatment
3. Aftercare: Immediately after treatment for Three to Five Years
4. Addictionologist
5. A.A. Attendance
6. Relapse Prevention Plan
7. Return to duty review
8. Personal physician working with CD counselors
9. Require they have Fun!
10. Regular testing (“monitoring”)

# Family Firm Institute

- Best Practices allowing Families and their businesses to thrive.
- Worldwide Organization dedicated to helping Family Businesses Survive in the modern world
- Wealth of experience

## B. Family Business

- Uniform standards (no blood exceptions)
- Alcohol and Drug Policy
- Established Process and Procedure
- See *Solutions for Dealing with Alcoholism and Drug Addiction in Affluent Families: What Account Managers and Family Office Need to Know* Appendix C



















# Please, any Questions?





# For information on Treatment and Recovery see:

- ▣ *Families, Wealth and Addiction, Appendix D*
- ▣ *Practical Advice on Achieving High Recovery Rates For Affluent/Prominent Alcoholics and Addicts What Every Family and Family Advisor Needs to Know Based on the Highly Successful Programs for Pilots and Physicians (at [www.clereconsulting.coim](http://www.clereconsulting.coim))*

# Articles

- A. *Incentive Trusts: The Good, The Bad and the Ugly*, John A Warnick
- B. *The Demise of Trustee Discretion and Ascertainable Standards as Effective Controls on Dysfunctional and Underperforming Beneficiaries: Solutions for Trustees* Messinger and Dresser
- C. *Solutions for Dealing with Alcoholism and Drug Addiction in Affluent Families: What Account Managers and Family Office Need to Know*, Messinger and Dresser
- D. *Families, Wealth and Addiction*, Aureus, Inc