

Lifescapes

What you can learn from families of significance

By: Stefanie Arias 2/2/2023



Some of history’s most successful wealthy families have valuable lessons to share — including that long-term success isn’t just about money.

Names such as Rockefeller and Carnegie are synonymous with the origins of American familial wealth and influence. They are on a short list of well-known families who have transcended typical financial success and become significant figures in our history and culture.

Family dynamics consultants Steve Sommers and Gretchen Krueger, who are both part of the Family Wealth and Culture Services team at Wells Fargo Wealth & Investment Management, say families who reach such a level typically demonstrate intentionality. Those families determine their goals and navigate toward them, intent on success, with a strong sense of identity, a willingness to be nimble in the face of change or adversity, and a recognition that more of their family or family business story has yet to be written.

Here, Sommers, who specializes in strategic philanthropy, and Krueger, who specializes in family and business history, share best practices they’ve observed in some of history’s most significant families of wealth — and what we can learn from them.

Cartier family: Leverage diverse talents in succession planning

According to the book *The Cartiers: The Untold Story of the Family Behind the Jewelry Empire* by Francesca Cartier Brickell, the Cartier “empire” started with three brothers who had complementary talents. Louis created some of the brand’s signature jewelry designs in Paris; Pierre extended the business into London and New York City; and Jacques traveled the world to find the best gems. Together, they contributed to Cartier’s success and international reputation in the early 20th century.

The lesson: Family members, including younger generations and in-laws who marry into the family, may bring new perspectives, talents, education, and experiences to a family enterprise — and those diverse talents and perspectives can contribute to ongoing growth. “Successful families of wealth think creatively about how to leverage these strengths, inside and outside of traditional business roles,” Krueger says. “They work to put multigenerational communication and education plans in place to help ensure future success.”

“We speak about it as the quantitative and qualitative side of wealth,” Sommers says. “That means also considering the human, social, and intellectual assets that a family holds, and a keen eye on how to capitalize on those assets.”

Mellon family: Identify and develop strong core values

The sources of the Mellons’ wealth include involvement and investments in banking, railroads, and companies that became Gulf Oil and Alcoa. While preserving capital to sustain multigenerational wealth was a priority, the family is perhaps best known for its appreciation and support of the arts. Andrew Mellon conceived of the National Gallery of Art, and his son, Paul, collected and donated pieces to the Virginia Museum of Fine Arts and the Yale University Art Gallery.

The Mellon Foundation’s work continues with this core value in mind. Its mission statement reads: “The Andrew W. Mellon Foundation believes that the arts and humanities are where we express our complex humanity, and we believe that everyone deserves the beauty, transcendence, and freedom to be found there. Through our grants, we seek to build just communities enriched by meaning and empowered by critical thinking, where ideas and imagination can thrive.”

The lesson: Core values help families increase their sense of identity, awareness, and alignment by serving as touchstones for decisions when the path forward seems unclear.

“Continuity of success comes from knowing family stories, knowing what they stand for, and retelling those stories over generations,” Krueger says. “The past can help families of wealth frame future aspirations.”

Carnegie family: Understand and act on social responsibility

Significant wealth often creates a sense of significant responsibility. Those who possess awareness of this responsibility tend to engage in activities that enhance and improve the communities they perceive may have contributed to their success.

For example, Andrew Carnegie established Carnegie Corporation of New York more than 100 years ago and stated his intention for the foundation to carry out its philanthropic work in perpetuity, so that “even after I pass away the wealth that came to me to administer as a sacred trust for the good of my fellow men is to continue to benefit humanity for generations untold.”

The lesson: Significance comes from positive action. “While there are a lot of tactical reasons to give back, including tax efficiency, what typically becomes part of their psyche is the sense of destiny to make a difference,”

Sommers says. “This is what can separate families of significance from those who merely have wealth — their success is not for their own sake, but for the world around them.”

Guggenheim family: Lean into cultural identity and community

The Guggenheims forged their own way in 19th-century New York City, turning small enterprises into enduring institutions despite discrimination. The business began with selling and manufacturing household goods and moved to investing in and operating mineral mines and refineries. Excluded from the city’s elite social circles and institutions due to their Jewish heritage, they created their own nexus based on shared heritage, faith, and family ties.

Stephen Birmingham’s book *Our Crowd: The Great Jewish Families of New York* includes the Guggenheims among the examples within this community. The Guggenheims were also among the many families in this group who became known as major patrons of the arts (beginning with a bowl-shaped museum in New York City that you may have heard of), science (Guggenheim Aeronautical Laboratory and the pavilion at Mount Sinai Medical Center), education, and more.

The lesson: Embracing who you are can help set a course for the future. “These families made a space for themselves by leaning in to their heritage and faith,” Krueger says. “The lesson here is that it’s possible to overcome challenges and hardships by embracing who you are and what you stand for — invaluable for families as they prepare future generations for roles and responsibilities to come.”

Keep in mind that the families described above are complex, and none is without blemish or failure. Many significant families include generations that have lost wealth and others that have picked it back up — another lesson they have to share.

Sommers also points out that these families usually had trusted advisors to help them along the way. Today, mentors, industry peers, attorneys, CPAs, family members, and even financial professionals such as those offered by Wells Fargo can help successful families identify and pursue the legacy of significance they wish to create.

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