



## THE FIVE CAPITALS: WEALTH AS WELL-BEING

James (Jay) E. Hughes believes families should exist to enhance the lives of their members. He's spent his career uncovering how families with significant financial capital can leverage all their resources to build a family that flourishes across multiple generations. This occurs when families focus on growing five key capitals Jay defines here:

### HUMAN CAPITAL

The human capital of a family consists of the individuals who make up the family. Their human capital includes their physical and emotional well-being as well as each member's ability to find meaningful work, establish a positive sense of identity, and pursue his or her own happiness.

### INTELLECTUAL CAPITAL

The intellectual capital of a family is composed of the knowledge gained through the life experiences of each family member or what each family member knows.

Some signs of intellectual capital include family members' academic successes, career growth, artistic achievements, their understanding of their individual and family finances, and their ability to teach and learn from each other about what they know.

### SOCIAL CAPITAL

Social capital refers to family members' relationships with each other and with their communities.

No family exists without some social capital. Some key indicators of it include the family's ability to make thoughtful, shared decisions together; to welcome new members into itself; and to give of itself—in time, talent, and treasure—to the larger society of which it is a part.

### SPIRITUAL CAPITAL

Spiritual capital is the family's ability to share and sustain an intention that transcends each member's individual interests. Sometimes that shared intention is described as a shared dream.

This capital is not necessarily equivalent to a family's religious beliefs or traditions, though such a tradition may express and nurture spiritual capital. No family begins the journey of family wealth without some sort of shared intention, that is, without some form of spiritual capital. Spiritual capital also includes humility—the recognition that this journey is fraught with challenges and exceeds the strength of any one of us alone—and gratitude—toward those with whom we share the journey, those who came before, and those who will come after us.

### FINANCIAL CAPITAL

The financial capital of a family is the property it owns. This property may include cash, public securities, privately held company stock, and interests in private partnerships.

Financial capital greatly contributes to families' ability to cultivate their other forms of capital. It makes possible quality health care, education, philanthropy, and the time and opportunities to come together and talk about building and sustaining a shared dream. The opportunity to cultivate these qualitative assets is a great gift, which financial capital makes possible.