



## Parents Cut Off 'Trust Fund Junkies'

Theft Charges Against Brooke Astor's Son Underscore Dark Side of Wealth

By SUSAN DONALDSON JAMES

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He's a self-described poor little rich boy who was packed off to boarding school at the age of 11, ignored by a string of stepfathers and now lives in a multimillion-dollar Park Avenue apartment with a butler.

Today, at age 83, that rich little boy, Anthony Marshall, the son of New York City's legendary philanthropist Brooke Astor, faces criminal charges for allegedly mishandling his mother's \$198 million estate.

The high-spirited doyenne died in August at the age of 105 after suffering from Alzheimer's disease. Her third husband was the son of John Jacob Astor IV, who controlled a fortune in fur, real estate and banking and died aboard the Titanic.

More focused on her social life and charities, and aloof with her son, Astor called him "baby" well into his senior years, according to a recent interview Marshall gave to New York magazine.

Marshall joined the military, dabbled in diplomatic posts and eventually financed theater productions, while his philanthropic mother danced well into her 90s and supported institutions like the New York Public Library and the Metropolitan Museum of Art.

The family war began in 2006 when Marshall's son Philip filed a petition with the court, alleging that his father had "turned a blind eye to [Astor], intentionally and repeatedly ignoring her health, safety, personal and household needs, while enriching himself with millions."

Marshall may be the prototypical example of the wealthy son who is plagued by "affluenza" or "entitlement-itis," according to estate planners for America's richest families.

### 'Don't Screw Them Up'

Having seen the dark side of wealth and worrying that their children will end up troubled ne'er-do-wells, some of today's richest families are asking "how much is too much" to inherit?

"When I deal with clients who are worth \$50 million and up, their biggest concern is, 'how do I not screw up the kids?'" said Jeffrey Baskies, a Palm Beach, Fla., lawyer who handles estates and trusts.

"How do I use it as an incentive for kids to grow up to be mature, self-reliant people with some degree of empathy for the world around them and not turn out like Paris Hilton?"

Few things divide families more than money. Stories abound of wastrel children who fight each other or

their parents for an expected inheritance. Some turn to substance abuse or suffer from depression.

In 2002, two members of Chicago's Pritiker family, heirs to the \$15 billion Hyatt hotel fortune, alleged that other family members had looted their \$1 billion trust funds.

Carter Cooper, the son of fashion designer Gloria Vanderbilt (the granddaughter of rail tycoon Cornelius Vanderbilt, whose father died of alcohol poisoning) jumped to his death from a 14th-floor penthouse. One of her other relatives squandered his money and died penniless.

Shell and Chevron heir John Paul Getty III survived a high-profile kidnapping, then went on to suffer a drug overdose-induced stroke that left him paralyzed and vision-impaired.

### **The Great ATM**

More recently, Max Factor cosmetic heir Andrew Luster was hunted down in Mexico in 2003, after fleeing in the middle of a trial on rape charges. Paris Hilton, heiress to the hotel chain fortunes, served time in jail on charges of drunken driving earlier this year and has been derided for being famous for doing nothing.

Studies at Columbia University have shown that the wealthiest children are at equal risk for substance abuse, anxiety and depression as low-income children.

"The level of wealth has grown enormously in this country and we've seen the adverse effects," said Douglas Freeman, co-founder of IFF Advisors, a national consulting firm that works with families and foundations. "Parents have seen real examples in their families and in those around them have seen real examples of indolent, lethargic, slothful, over-indulged and under-motivated children."

In the past, the upper classes have created a generation of "trust junkies, living on streams of income. Like lottery winners, at the end they are broke and don't have a clue what to do. They treat their money like an ATM machine and it backfired."

Today, the wealthy are more inclined to find a social purpose for their wealth, rather than just preserve capital. Foundations have grown from 22,000 in 1980 to an estimated 75,000 today, according to Freeman.

"At the end of the day, parents want their kids to be productive, self-sufficient, hardworking, loving and compassionate," he said.

History also provides some positive role models for social responsibility. "Did you ever see a Rockefeller in jail?" Freeman asked.

The world's two richest men □ Microsoft's Bill Gates and Berkshire Hathaway magnate Warren Buffett □ have publicly said they will leave most of their billions to charity and not to their children.

According to Forbes magazine's "richest" list, Gates, 50, is worth more than \$50 billion and Buffett, 76, is worth \$44 billion.

### **Bill's Will**

Gates has stipulated that each of his three children will receive only \$10 million of his estate, according

to press reports.

Largely bypassing his three children, Buffet gave \$31 billion to the Gates Foundation in 2006, and has been quoted as saying, "Leave your children with enough money to do anything they want, but not so much that they are doomed to do nothing at all."

Nothing is inherently wrong with money, according to Lee Hausner, co-founder of IFF Advisors, who for 17 years worked as a psychologist in the Beverly Hills schools. "Money is never positive or negative □ it's what you do with the money," she said.

Hausner and Freeman advise wealthy clients and major financial institutions like Goldman Sachs, CitiBank and Merrill Lynch. She said concern about inheritances is "universal."

"Parents need a strategic plan as it relates to money," she said. "There are no instruction manuals."

Experts say children are particularly vulnerable to the excesses of wealth during the "career-building years."

In Brooke Astor's day, children received large sums of money in trusts when they reached 18 or 21. Today, parents are urged to give their children money at key points in their life to encourage social and fiscal responsibility.

"For the first starter house it's OK to help with the down payment, but not the whole house, and the child can handle the mortgage payments," said Hausner. "Our goal is to get your child into adulthood relatively stable emotionally and make contributions to the world. Achievement creates a natural high. Without focus, people are not happy or satisfied."

"Brooke Astor's son probably feels entitled because he was born to the lucky sperm club," said Hausner. "They owe me this. I have a lifestyle to maintain."

Expectations of impending fortunes wreak havoc with children, according to Hausner. Parents would often would whisper to her, "We don't want our kids to know we're rich."

### **Don't Flaunt It**

"Then get out of the million-dollar house and stop flying to Aspen," she said. "You have to tell your children: 'You will not have to save for your children's education or your retirement. We will help with the house and if you come up with a real business plan, we might help. You will make your own way and the rest we will give to philanthropy.'"

Hausner tells rich parents to give their children an allowance and teach them to divide it into three parts: one to spend immediately, another for savings to learn to delay gratification and a third to charity.

"Turning over money without training is like throwing the kid to the keys of the plane," she said. "You're going to crash it."

The fate of Marshall, who was charged with taking a \$2 million commission for the sale of one of his mother's paintings, among other alleged indulgences, has yet to be decided by the courts.

Marshall and his lawyer, Francis X. Morrissey Jr., were charged Nov. 27 with stealing millions of

dollars and valuable property from his mother and mishandling her will. They have pleaded not guilty.

"Brooke Astor loved Tony, her only child," said Marshall's lawyer, Kenneth E. Warner, in a prepared statement. "Whatever he received was in accordance with her wishes."

Such legal woes in inheritance cases are on the rise, according to Jordan Atin, author of "The Family War."

Old family grievances are often at the core of these lawsuits.

### **Making Up for Mistakes**

Marshall told New York magazine his mother felt guilty about her parenting and was trying to make up for past mistakes by late-in-life gifts and eventually changing a will some say he had forged.

"What drives these fights are relationships more than money," said Atin. "There's a lot of emotional history."

Wars like these are just "human nature," according to Atin, but are more public among the millionaire set, who can afford long and expensive legal battles.

Added Palm Beach lawyer Baskies, "This level of dispute only happens when there is that much money on the line."

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