

Friends, With Money

It starts with the best of intentions. You insist on paying for a five star dinner, or a weekend in Europe to see some special exhibitions, knowing your best friend is trying to save money to start her own business. You have more than enough; why not share?

Over the years, it becomes habit. You place your credit card on the table before your friend can even reach for her purse. At this point, she sometimes goes quiet. Then one night, over a glass of wine, your friend suddenly says “I feel like your charity case.”

In my work advising wealthy clients, I’ve seen strong friendships strained over money and fledgling friendships thwarted as money entered the picture. Often it’s because the friends were reluctant to discuss it. They treated money like a taboo topic, afraid it said too much about who had power and who didn’t, and who was successful and who wasn’t.

Money can be a resource in friendships, helping us stay close through travel, for example, when we live far away from each other. Yet money also has the power to divide us, into those who can afford certain luxuries, and those who can’t. This is true in friendships and it can be especially painful to accept in families where one sibling has had great financial good fortune relative to another.

It’s natural, when you’re close to someone, to want to bridge the financial divide. Nevertheless, while giving is always welcome in philanthropy it’s a more complicated matter in friendship. If expectations are unclear and boundaries blurred, the giver can leave an encounter feeling used and questioning the nature of the friendship. The receiver can feel controlled and distanced and believe they are seen as less than able.

So how can we avoid this disintegration? The first step is to acknowledge money as a force in our friendships, particularly when one person has more resources than another.

As an inheritor, I had to learn just how powerful this force can be. I was working in the inner-city and surrounded by people with many financial needs and about whom I cared. After I inherited, I was often the wealthiest person in the room. When I was 40, I took two close friends to Asia with me on an all-expenses paid vacation. In everyday life, I was typically the first to pull out my credit card to pay for dinners and entertainment.

I might have gone on like this if not for a conversation with a close friend after dinner together, just as the bill arrived. She told me she didn’t like the habit I had developed, always assuming I would pay. It felt controlling to her, as if I was putting distance between us. She asked me to stop. It was an enlightening conversation. I now work hard to resist the impulse to pay, and so allow others to cover their own costs.

Clients come to me with similar issues:

- When eating out together, who pays or how is the bill split? And how do we decide?
- If traveling together, how do we determine the places to stay with their associated expenses?
- How do we settle on the appropriate value of a gift for the other?

The most important element in addressing these money dilemmas is clarity about the situation. That means, first of all, questioning our assumptions. Is David really happy to play golf as my guest at my club every Sunday or would he prefer to play occasionally at a public course where we can both contribute? Does Ellen really enjoy paying for me when we go out for dinner or has it come to feel like a burden to her?

Then comes the harder part: finding the courage for a conversation. You may be worried that talking about money will backfire and damage your friendship, but silence is more likely to be the greater threat.

With that in mind, here are a few possible tacks you might take:

- I'm very fortunate and I can afford to [fill in the blank]. I know you would enjoy this too and I'd like to treat you to it. That way, we could do it together. How would you feel about it?
- You very generously pay for dinner when we eat out together, but I'm uncomfortable always accepting that from you and I'd like to talk about it.
- I know you've always wanted to pursue your love of photography and a professional camera would make a big difference to you. It would give me a lot of pleasure to get it for you but I want to check with you first.

Listen to the answers and ask questions for clarification. The initial conversation may seem hard. Your words may be awkward. The moment may feel embarrassing. Nevertheless, remember that the potential payoff is not only preserving but also deepening your friendship.