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Book Review: The Transformative Power of Family Wealth

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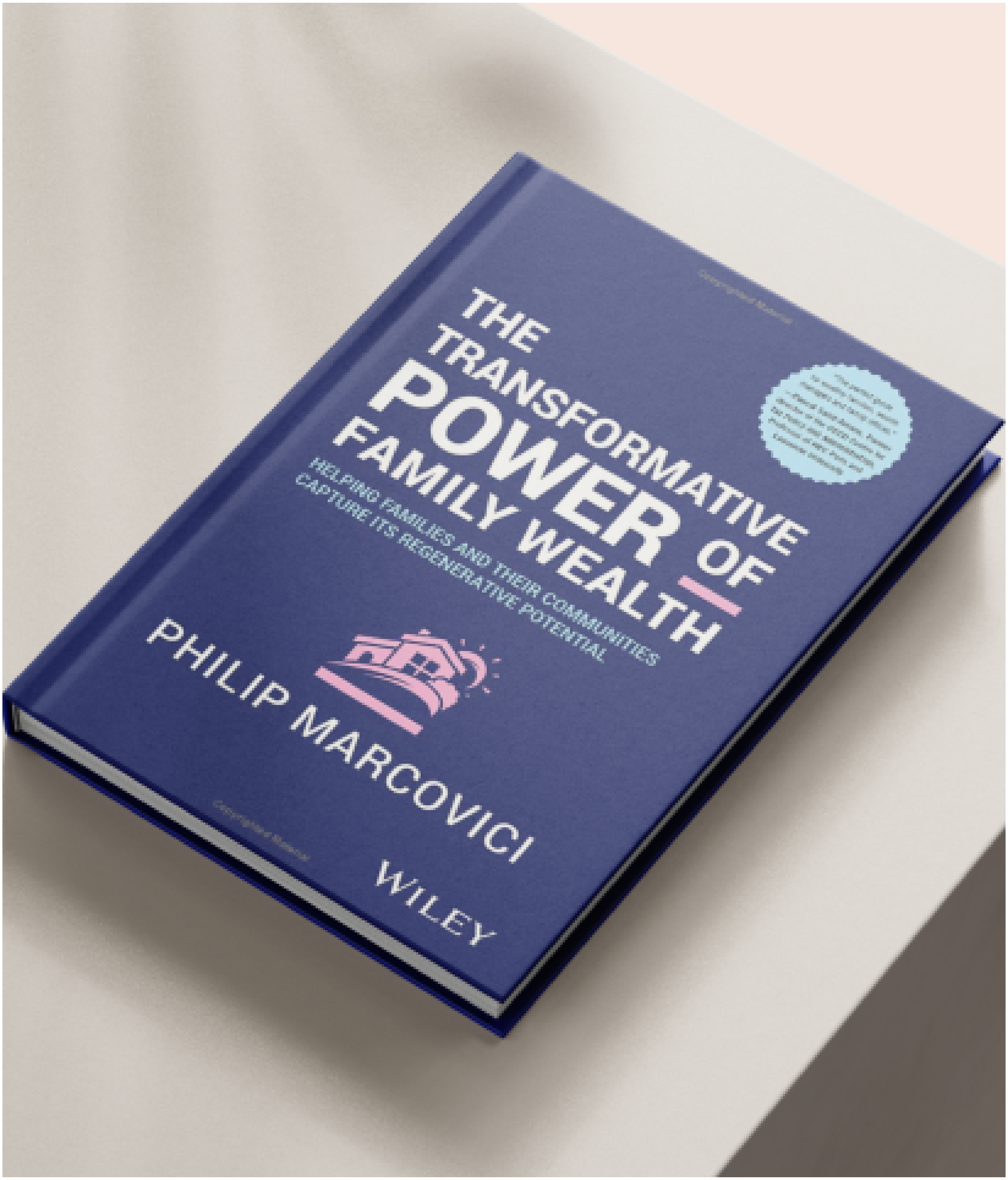

In *The Transformative Power of Family Wealth*,[1] Philip Marcovici TEP masterfully navigates the complex landscape facing wealth- and business-owning families. Building on his earlier work, *The Destructive Power of Family Wealth*,[2] Marcovici shifts focus from the pitfalls of wealth to its constructive potential, providing a roadmap that aligns relational, operational and financial strategies to foster resilience and growth for both family enterprises and society.

The book is grounded in the use of the Theory of Change, a planning methodology that starts by identifying goals and works backwards to determine the inputs and actionable steps needed to achieve them.[3] Through examples of fictional families and a country called Dagland, Marcovici illustrates how the Theory of Change can help achieve desired outcomes for families and society. He explores how navigating internal family dynamics, complex tax regimes, political instability and increasing transparency can distract families from effective succession planning and meaningful contributions to society.

Marcovici turns inward to examine the psychology of wealth and family dynamics, identifying divorce, affairs and mental health challenges as internal derailers of the family enterprise. He demonstrates how wealth-planning tools such as wills, trusts and partnerships can mitigate negative impacts and advocates integrating circular economy principles into family governance frameworks to prevent waste.[4] A compelling aspect of this approach is the emphasis on evolving and diverse roles within family ecosystems. Marcovici advocates empowering all family members, not just those in leadership positions, and adopting a ‘revolving door’ policy, that allows members to move in and out of formal roles, nurturing independence and agency while strengthening the family unit.

Turning outward, Marcovici provides a candid review of global tax systems and the legacy of the historical exploitation of banking secrecy. He highlights external derailers presented by complex taxation regimes, unstable political landscapes and the erosion of privacy that disrupt the potential synergy between wealth owners and society, hindering responsible stewardship and families’ long-term success. He promotes the Theory of Change as a tool that governments can use to achieve symbiosis between wealth owners and society that is key to sustainability and critical to families’ long-term success.

Marcovici calls on governments to adopt simpler, reliable and effective taxation policies, uphold privacy rights and honour the positive contributions that wealth-owning families make to economies. Society can thrive by providing attractive long-term homes for global wealth and business owners, establishing nation states as centres for responsible wealth, and unleashing the transformative power of wealth. He believes this will ‘address urgent societal needs, including wealth and income inequality and other priorities’.[5]

Ultimately, *The Transformative Power of Family Wealth* empowers wealth- and business-owning families to remain in control of the planning process and uphold their responsibility to society by aligning individual, familial and societal interests. Marcovici’s wisdom and expertise shine throughout in his actionable insights, making this book a vital resource for families and advisors seeking to build long-term resilience, not only for family enterprises but also for society and the planet on which their success depends.

On a personal note, I have worked with the author, Philip Marcovici, on the STEP Responsible Stewardship of Wealth Thought Leadership Steering Group, of which Philip was the founding Chair. A longstanding STEP member, Philip has consistently advocated for the integration of responsible stewardship of wealth principles into advisory practice. His work has influenced many, including myself, encouraging STEP members to adopt his ideas in ways that benefit not only families, but also their communities and the wider world.

- 1

  John Wiley & Sons Inc., 2025

- 2

  John Wiley & Sons Inc., 2016

- 3

  'What is Theory of Change?', Center for Theory of Change

- 4

  Marcovici, Goh & Ispahani, Circular Economy Principles for Family Business & Wealth Stewardship: A New Governance and Sustainability Framework, STEP, 2022.

- 5

  Above, note 1, ch.10, p.333

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