

A \$3 Billion Mistake

By Charles Lowenhaupt

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The entire world is wondering why 23-year-old Evan Spiegel, Snapchat's co-founder and CEO, turned down a \$3 billion offer from Facebook last month.

[Media reports](#) said Spiegel won't entertain offers for Snapchat until next year, when the messaging service (now all the rage, particularly among women) may have even more users and a higher valuation. In other words, they believe that maybe he just wants more money.

But there's another reason that could explain his decision. Perhaps a 23-year-old couldn't imagine what to do with billions.

More Seasoning

For someone whose family has helped other families manage significant wealth for more than 100 years, I am not surprised Spiegel turned down the offer. In fact, his decision was a smart one.

At 23, most people have no idea what to do with this kind of money. Could Spiegel answer the question: "What is your wealth for?"

He is not ready to say that the wealth is to ensure that each of his children and grandchildren to be can be all he or she can be. He surely lacks the life experience to see the enormity of the opportunity to do good and positively influence the world around himself. Look how long it took Gates or Buffett to move from wealth creation to strategies for using wealth.

To his credit, Spiegel understands what gives him satisfaction, and it is not billions in the bank. Instead, it is running a business and making a dynamic contribution to society.

During a conference at Stanford in 2013, he eloquently described the role of entrepreneurs like himself.

An entrepreneur, he said, is an "individual who is able to combine – gracefully and authentically – their life and their work. An individual who has identified a dream far greater than accumulation of wealth, but a dream that is achieved through participation in consumer society and the creation of a company."

Spiegel is a man who seems to see what he wants in life. As someone who was raised with considerable wealth, Spiegel may understand that significant, sudden fortune often ruins individuals unprepared for it. Without the right vision, structure and discipline with regard to significant wealth, personal development is arrested or stops entirely. I've seen it too many times to count.

What Is Wealth Really For?

The truly smart money understands that unhappiness is the *likely* effect of great wealth unless the most basic question is asked and answered well: What is the wealth for?

That's a process that takes time and deliberate thought. Wisdom requires life experience and contemplation. Building and running Snapshot happened quickly for this enterprising young man and required his full attention. Spiegel has neither extensive life experience nor the leisure of time for introspection to know what wealth is for.

In fact, until wealth had a purpose, its owner is slave to managing and living with it. Once the owner knows what to do with the wealth, the opposite happens. Money does its job and its owner has "Freedom From Wealth," the ability to self-actualize.

By turning down Facebook, Spiegel hit the daily double: He avoided the pitfall of wealth without purpose *and* maintained freedom from wealth. Let's hope a young man of his prodigious talent and judgement keeps his head about him. His success will benefit all of us.

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