

Building Character

Raising Children Under Five In the Midst of Affluence - By Jeff Savlov

Raising children in a context of affluence presents special opportunities and unique challenges to the already complex tasks of responsible parenting. The article springs from generally accepted principles of early child development theory and practice, but seeks to fill a gap by applying those principles in the unique context of wealth. In doing this, we seek to help parents leverage the very real potentials in helping children at even young ages develop the character that will stand them in good stead as adults who productively navigate the world of wealth.

We have found, after working with hundreds of families, that the children who do effectively integrate wealth are those who have not only built skills across core competencies to manage wealth, but have developed the character to live balanced, productive lives in the midst of affluence. Competencies can be taught in young adulthood. Teaching these competencies requires diligence, attention and use of thoughtful methods for imparting both experience and education. Character is more difficult to shift in meaningful ways in these later years. This paper hones in on the development of character in the early years. In doing this, we will first explore family culture, then core parenting principles and finally daily practices parents can use with children to help in their character development.

FAMILY CULTURE

In many ways wealthy families face the issues all families face, including clear communication, resolving differences, navigating intimacy and independence and coping with the demands and

stresses of modern life. Families that have been wealthy for generations often have cultures that support this work, but families newer to wealth have the opportunity to build their own culture.

Wealth often amplifies ordinary complexities and can add additional layers of complexity not faced by other families. For example, families of wealth are often living in the shadows of trusts and entities they are expected to understand and manage. They likely have a network of advisors who, while at arms-length, are involved in significant aspects of family life and often know the family intimately. In addition, family members often have choices and opportunities that, while in some ways are enviable, can also make life more complicated. Raising children in ways that help prepare them to live with high degrees of maturity in this environment can be challenging.

Significant complexity also often gives rise to anxiety. Unfortunately our evolutionary biological responses to anxiety are often not helpful in our complex modern world. Anxiety can cause reactive behavior. Common responses include fight, flee,

freeze, flock or fix.¹ While these responses are natural, they can get us into trouble. We are often best served when we slow down to observe what is happening and take thoughtful and measured action – which may include no action at all. In addition to these anxiety patterns (that exist in all families), families with substantial wealth are often dealing with issues of power and love that are engendered and fueled by financial concerns. Families rightfully see money as a powerful force in their lives and like any powerful force, it can raise issues of control and the proper use of that energy. For example, families that use material things as rewards for basic character development or as substitutes for attention and caring often come to regret those strategies in the long run. Often these responses are “easy” and therefore quite tempting. It is often hard to say “no” to insistent children and doing so requires a degree of self-management.

In light of the high level of anxiety that exists in family systems, particularly in families with wealth, families are well-advised to pay attention to developing a robust family culture that can help effectively manage these concerns. A strong culture – with deep parental agreement – becomes an effective anxiety management (and child rearing) approach.

Family culture is a difficult thing to clearly define – while it encompasses such things as values, beliefs and norms, culture extends beyond these components. Perhaps the best way to think about culture is that it is the invisible “software” that drives family interaction. It is the “tribal identity” of the family. This tribal culture gives rise to patterns of behavior, roles within the family system and how

¹ While fight, flight, and freeze are widely understood, flocking and fixing are not. Flocking is the response of seeking sympathy and support as a way to self-soothe and work through stressful situations. Fixing is the reactive attempt to addressing anxiety by doing something – often without sufficient thought.

family members approach and interact with each other and with the world around them. When this tribal identity is well-understood and made as explicit as possible by the family (and particularly by the parents), it lays a solid foundation and becomes the bedrock of childhood development. In many cases, with a bit of conscious work, it is possible to intentionally develop a family culture that can effectively meet the deeper needs of family members.

Case Study

In one family, the grandparents created a will that enriched their grandchildren without seeking the input and consent of their children. The parents felt their parental authority was undermined by what was a well-meaning but ill-advised act of generosity.

To understand and shape family culture, it is important for parents to have thoughtful and in-depth discussions about the kind of family they want to create together. Even before children are born, it is helpful for the couple to discuss how they want to act as parents and what they think success would look like for them at the various ages and stages of their children’s development. This includes frank discussions of the parents’ and grandparents’ convergent and divergent values. It also involves questions of parenting styles and how they believe they will find the proper balances between supporting and challenging their children. Having in depth discussions and coming to explicit agreements about parenting for character can help allow the parents to be consistent with one another’s actions and be motivated to have intentional conversations if and when they deviate from their agreed-upon philosophy. Writing out the core principles and agreements is helpful to some couples. It can also be helpful to complete a mini-self-assessment to help deepen understanding and guide conversation about parenting in a “no-blame” environment that is aimed at mutual understanding

and learning how to be better parents.² At the heart of this work lies a profound commitment of the couple to the well-being of each other and to the family.

For single parents, this same process can be accomplished through self-reflection and conversations with friends and extended family members. Here, self-reflection and self-awareness become even more important. Single parents should consider having intentional conversations with the grandparents to ensure the parent's goals regarding financial parenting are supported and not undermined by well-intentioned but ultimately misguided grandparental influence. It is important to become self-aware of how one is parenting on a daily basis and find ways to regularly reflect on any gaps between what one believes makes for good parenting and what one is actually doing as a parent.

Beyond strong family culture – or a clear sense of tribal identity – there are studies that reflect the importance of connection to others beyond the family. These studies show that the well-being and happiness of children is deeply affected by their sense of compassion and caring for others. Meaningful relationships with family, friends, peers, and other adults promote healthy development in children.³ To incorporate these insights, parents can model healthy connections with others, for

² For a sample self-assessment see Appendix A at the end of this paper.

³ The longitudinal Harvard Grant and Glueck Study Harvard Medical School's Grant and Glueck Study, beginning in 1939, reflects that meaningful connections with others have a direct positive impact on individual well-being and happiness. The study is currently part of The Study of Adult Development, now under the direction of Dr. Robert J. Waldinger at Massachusetts General Hospital. See also Fivush, Robyn and Duke, Marshall, Do You Know: The power of family history in adolescent identity and well-being. *Journal of Family Life* (2010)

example, by building robust social networks with other families and peers in the community. The parents in these families often form powerful networks that develop into communities, which can help individual families take charge of the development of their own family cultures. They can also model and encourage connection to and compassion for the world beyond the family by encouraging young children to give to, and be directly involved with, causes that might be age-appropriate and meaningful to them. An example may be giving to the zoo or supporting the rescue of animals. As children get a bit older, this might involve volunteering and giving to meet basic human needs in the community in a more significant, hands-on manner.

CORE PARENTING PRINCIPLES

Developing a family culture conducive to raising motivated and responsible children, requires that couples work together to understand and reconcile their beliefs about money, articulate what they want as parents for their children, and agree on the core character traits and parental expectations that will support those desired outcomes. For single parents, understanding how these three factors impact decisions and actions will be equally important, ideally in the context of a helpful and trusted support system. Committing time and thoughtfulness to these issues before having children, or in the early stages of child development, can help set the stage for years to come. After parents come to alignment as a couple regarding their beliefs, their vision and what success looks like, they are in a solid position to begin to work together to accomplish what they desire most for their family.

Understand beliefs and perspectives

Each individual is exposed to a multitude of money messages, which overtime, shape how that person views money. Money messages include nonverbal and verbal cues, depicting how one communicates about, manages, and feels about money. For example, telling a child that it is impolite to talk about money or dismissing questions such as “are we rich?” can send the message that money is shameful and it is not something to inquire about. A family who agonizes over purchases and argues about how much is spent on vacation will send very different messages than a family who openly and calmly discusses spending. The negative or positive emotions associated with money at an early age often carry over into one’s adult years, forming a unique money personality.

A couple’s money personalities will become the backdrop to messages conveyed to their children over the years. To create clear and consistent messages, take into account each partner’s preferences when it comes to decision-making around expenses such as travel, gift-giving and charitable donations. Discuss as a couple ways to reconcile differences and decide how to make collaborative decisions that honor the priorities of each individual.

When thinking about what messages are conveyed in a wealthy family, it can also be helpful for parents/guardians to frame wealth in the broader context of the world. To help put wealth into perspective, consider the framing of three types of families in the world: those that do not have enough, those who have just enough, and those who have more than enough. In the case study example provided in the call out box, the couple emphasized that their family is fortunate enough to

be able to travel and experience different cultures, while recognizing that most are not in the same position.

Case Study

In one family, the parents placed a high value on spending time together and gaining quality experiences. While one parent was accustomed to lavish vacations and wanted to provide the same opportunities for the children, the other was less comfortable with the expense. The couple was able to find common ground in their values, and reframed traveling as a way to deepen family relationships and gain an appreciation for different cultures. When planning for a trip to Ireland, the couple discussed with their four and six-year-old children the reasoning behind their decisions. They stayed in less expensive but comfortable hotels. A trip to the coast was emphasized as a way to spend time together as a family, without additional stress.

Even at a young age, experiences with money can leave strong impressions on a child and resurface through memories later on. Inconsistent messages generate misinterpretation and confusion in children. Unacknowledged differing perspectives can be the root of conflict around financial behaviors and contribute to the anxiety system, which can impede the family’s ability to build their desired culture. Understanding how each partner views money and lessening discrepancies are the first steps to being intentional about what messages are transmitted in the home. It is important to note that honest differences shouldn’t be glossed over. To say, “mommy likes to find the best deals and daddy spends a little more to get something he really likes” is an honest and helpful disclosure if it is explained to the children and they have an opportunity to talk about these differences. The point is to be as aligned as possible and thoughtful and measured where there are honest differences.

Envision the Outcomes You Want for Your Children

Once a couple has a better understanding of how they view money, it is important for them to create a heartfelt idea of what they want for their children's future. Making this future as vivid as possible helps to tailor messages conveyed to children. This is not a "plan" so much as it is a direction. Consider the question, "What would real success look like in your family?" Some may envision success as making a lasting and measurable difference in the community, or striving for excellence in all that one does, or maintaining strong cross-generational family relationships. Each of these images will be expressed in different messages about what principles for living the family thinks are important as part of their culture. A key component in gaining clarity on what a couple wants for the future is articulating how one wants to be wealthy and how to effectively integrate wealth into the lives of family members. Consider the impact of the type of schools children attend (e.g., public or private, boarding or day), what extra-curricular activities they engage in and what neighborhood they live in. These decisions will help create the environment in which children learn what it means to be wealthy in their family.

In one family, the wife grew up accustomed to certain principles in her family of wealth, while her husband held on to values stemming from his middle-class background. The wife believed that wealth should be used to make life a little more comfortable for everyone, and so from the husband's point of view was *indulging* their daughter. The husband wanted their daughter to grow up with less of a sense of privilege, and so from the wife's point of view was *depriving* their daughter. Both perspectives held merit in their own right, however, the couple's outlooks on how to integrate wealth were not in synch. It was only after they discussed their underlying beliefs about money

and focused on their common interest in raising a wise, balanced and competent young woman did they align on their approach. By focusing on what they both most wanted, they were able to apply that to their day-in, day-out spending decisions for their young daughter.

Case Study

The young first grader in one family that valued honesty as a core principle helped another student cheat on a test. When confronted he immediately admitted the bad behavior and said that he knew what he did was wrong. The principal, who expected lies and deflection, was surprised by this level of radical honesty. The boy said that his family admired honesty and he didn't want to have two dishonest acts. He was punished at home and at school, and he understood why and accepted the consequences of his actions. His father told him how proud he was of his son's honest response to the principal. In talking with the father, he told us that this work began with his children when they were very young.

Dr. James Grubman, Dr. Dennis Jaffe and Dr. Keith Whitaker, consultants in the field of family wealth psychology, address the challenges of "adapting to wealth" and integrating aspects of different economic cultures and identities in their article, *Immigrating to the Land of Wealth*.⁴ They state that similar to how a family of origin shapes one's beliefs and habits, the economic culture of origin also carries certain attitudes, behaviors, norms and approaches to money. In facing the challenges of integrating two economic cultures, discussing concerns openly and taking an integrative approach is most effective, rather than avoiding the impact of a couple's differences or one partner assimilating into the other's culture. In the case of the couple disagreeing about spending on their daughter, the

⁴ James Grubman, Dennis Jaffe and Keith Whitaker, *Immigrating to the Land of Wealth*, Private Wealth Magazine, March/April 2009.

thoughtful approach was for them to take a step back and understand first what was causing their conflicting opinions – in this instance, their differing money personalities and to look at their core common interests and beliefs. They were then able to work together to define how they ultimately wanted to see their daughter effectively integrate wealth into her life in a positive way, in a way that supported their core principles.

Agree on core character traits that will serve your children well in life

To help translate desired outcomes for children into action, consider the character traits that will be helpful to the children in their lives. Take into account what traits may be helpful for the children at a young age, as adolescents and as adults. Consider what impact certain traits may have on themselves, their future families and their communities. Continuing with the couple from different economic cultures, the next step would be for them to identify the broader values and skills, from both cultures, that they deem most important to pass on to their daughter. This might entail how best to integrate into their parenting what Grubman characterizes as middle-class orientation and skills (individualism, self-sufficiency, managing one’s own assets, etc.) with wealth orientation and skills (wealth literacy, working with advisors, philanthropy, enjoying wealth responsibly, etc.)⁵. Gaining clarity on agreed upon principles can help mitigate future clashes in opinion posing a threat to both the family culture and the effectiveness of intended money messages.

When thinking about what would have to be true in your family to achieve your desired outcome, consider the traits most important to you. These traits should align to your overall approach to

⁵ James Grubman, *Helping Strangers Adapt to Paradise* (presentation), 2014.

parenting. For another family, its articulated goal is for the rising generation to effectively steward the family wealth, continuing to preserve assets and exercise a commitment to supporting their local community. In order for this statement to come true, the couple decided they needed to focus on responsibility and generosity as core foundational traits. Narrowing in on generosity, the couple emphasized the importance of sharing with others and giving back at an early age with their children. From discussing the different reasons why people share, to reading bed time stories about the power of community giving and engaging in food drives, the message of generosity remained consistent throughout childhood years.

The key aspect is to be proactive. Doing nothing – and simply drifting as parents - will likely result in less than ideal outcomes. Patterns that are established early tend to continue and grow. Focusing on building strong character will help lay the foundation for a healthy relationship with wealth, as children reach their teenage and young adult years.

Navigating the early years with intention (Ages 0-5)

Once couples are aligned around expectations for their children and have a general vision for how to best integrate wealth into family life, powerful opportunities arise for developing relationships with children in ways to help maximize their potential, and the potential of the family. How early should this start? Very early.

In the history of planning for generational wealth transitions, families tended to start late (in the worst cases, this happened when wealth creators passed away and left their adult children to manage inherited money without any guidance). In almost all “preparation” models, the focus tended to be solely on building competence with money. These

models ignore the importance of character development. Current enlightened practices start earlier and focus on the healthy development of responsibility, connection, gratitude, respect and self-reliance, to name a few.

Many legacy families include the rising generation in aspects of education and forms of governance (sharing of information and decision making) when they are in their twenties and often late teens. By suggesting parents be as proactive as possible, intentionally developing their family before having kids and during the first years of life, the strongest possible foundation can be laid. This sets the stage for handling the challenges and opportunities that wealth will bring. Some of the most common struggles parents encounter with their children as they develop into young adulthood and beyond can be proactively addressed through the opportunities of thoughtful parenting in early childhood. These include: forming and maintaining healthy relationships with a diverse array of people, managing emotions with maturity, developing self-motivation and pushing through frustration and setbacks.

While acknowledging that money skills are an important part of the equation later in the game, the game can be very difficult to “win” if these early stage issues are not addressed. Practices have emerged to help build character, including, documenting the family’s story and perpetuating it (legacy), defining values and operating principles, setting parental expectations related to material wealth, instilling values on how others should be treated, contributing to the family and society and fostering the personal growth of each member as they develop passions and preferences.

a. In Utero and Infancy

There is a broad body of literature in the behavioral sciences related to attachment between young children (in utero and beyond) and their caretakers and the powerful effects of that bond into adulthood.⁶ Research is clear that even in-utero, the child is capable of incredible perception and connection. Dr. Peter Hepper, a well-known fetal researcher and professor, found that at as early as 22 weeks, the fetus can hear speech outside the womb relatively clearly and it will become part of the fetus’ daily environment⁷. Dr. Hepper did some creative research involving a well-known BBC soap opera, “Neighbors”. He monitored the fetuses of pregnant women; some moms regularly watched the show and others did not. When the researchers played the theme song, fetuses whose mothers regularly watched “Neighbors” became significantly more active. But when an unfamiliar song was played or when the theme song was played, and the mothers were not watchers of the show, there was no such response. Fetuses of regular-watching moms did not simply like music – they recognized and liked the theme song of mom’s favorite show to which they were regularly exposed.

There are many similar examples of fetal research showing that fetuses are not the blank slates scientists historically thought they were. Parents should freely talk to the fetus, tell family stories, sing songs, listen to music, read books together and include brothers, sisters and other family members. This can help open minds and hearts from family to fetus and vice versa, creating the early building

⁶ Refer to the groundbreaking work of John Bowlby and Harry Harlow as well as more contemporary and practical works such as “The Conscious Parent”, by Shefali Tsabury, “Parenting From the Inside Out”, by Daniel J. Siegel and Mary Hartzell, and “The Conscious Baby” program for parents: <https://birthpsychology.com/news/conscious-baby-parents-course>

⁷ Hepper, New Scientist, 2010

blocks of healthy attachment. While we are not suggesting that just the right music or external conversations while baby is in-utero will create an ideal inheritor or steward of wealth, if a fetus is this capable, imagine the potential you can harness with a one or two year-old.

After the baby is born, healthy attachment, also known as secure attachment, occurs when parents/caretakers tune in carefully at the youngest stages to help understand and meet the child's needs. Being able to discern the various cries of a baby and learn if she is hungry, hot/cold, tired, in pain or simply wanting connection and being able to provide it, can lead the child to develop a sense of trust in the world and in people.⁸ Consistent soothing by parents of the distressed infant leads the child to internalize the ability to manage her own emotions and self-soothe. This ability to self-soothe is among the very first steps to taking responsibility and feeling empowered to manage life on one's own. Early on, this takes the form of a child who can cry when put to bed but reliably calm themselves and go to sleep. Later in life, this might be reflected when a child who is nervous about a demanding school workload and is able to manage this with a sense of balanced perspective and ask for help as needed. Children with strong attachment skills know that they are safe and capable, and that others are there for support in appropriate ways.

b. Beyond Infancy

D.W. Winnicott, a pediatrician and psychoanalyst, coined the term, "good enough mothering" in his book, "Playing and Reality." This term embodies the idea that perfection is not possible or even a healthy goal for child or parent; the goal is to get it right most of the time. Our parental imperfections

are necessary to our children's development. Misunderstanding and failing to meet the child's needs in small ways can help the child develop a tolerance for the natural frustrations of life and the grit to navigate them. While love and concern are necessary to good parenting, perfection is not.

As children grow and develop, the work of promoting healthy attachment focuses on the ability of parents and caretakers to encourage and support children to take risks, leave their parents' side and explore the world while protecting them from dangers beyond their ability to deal with. The baseline needs for independence and closeness are different in every child and vary from stage to stage. Holding the reigns too tightly can stifle the child and engender anxiety around separating, causing the child to perceive the world as unsafe. Too much independence is equally frightening, leaving the child overwhelmed and believing needed support will not be there when needed. While "balance" here is elusive, if not impossible, paying attention to both autonomy and connection – and emphasizing each at different times as appropriate – will help parents raise well-adjusted children.

Being able to communicate and enforce expectations in calm, consistent and loving ways becomes increasingly important over time (think "terrible two's" and tantrums, and teenage years). Insisting that children follow important rules around respecting the home and how they treat other people is important. This is best done with firmness, patience, respect, love and even fun. As the parents set boundaries and expectations, the children begin to internalize these norms as parents wish. It is through these expectations that the child adopts a healthy structure for their own lives.

⁸ See footnote 8.

DAILY PRACTICES

Daily Practice 1: Start with the basics: Please, Thank-You, I'm Sorry and the Golden Sippy-Cup Rule⁹

As we look at the development of character, three qualities stand out: respect, gratitude, and remorse. The foundations for these are laid early in life.

“Please” and “Thank you” are often considered the magic words. When parents insist their children say “Please” when asking for something, they are working to teach them to be respectful of others. They learn that they are not the center of the world but are part of a larger community. They learn that people are more likely to be kind and helpful when treated with respect. “Thank you” completes the cycle by expressing gratitude, and acknowledging that no one is required to help but does so voluntarily. When others are spontaneously generous, as opposed to responding to a request by the child, “Thank you” shows appreciation of that person’s unsolicited thoughtfulness.

Ideally, “Please” and “Thank you” should become habits as a child gains early language skills, around the end of the first year, and parents should be encouraging proper use of these terms by saying them for the child at this age (“modeling”). When a parent asks their child to do something they too should say “Please” and when it is done “Thank you.” This modeling can be turned into a game and

⁹ Jeff Savlov (2015, April 29). Raising a Two-Year-Old Millionaire: Please, Thank-You, I'm Sorry and the Golden Sippy-Cup Rule [Blog post]. Retrieved from <https://blumandsavlov.com/raising-a-two-year-old-millionaire-please-thank-you-im-sorry-and-the-golden-sippy-cup-rule/>

be made both fun and even funny. Positive emotions around the desired behavior make the behavior more likely to stick than more serious or punitive approaches. This is the best foundation for inoculating against unhealthy entitlement. Instilling these terms to be automatic requires consistent effort on the part of parents, extended family and the community. Having grandparents and family friends reinforce this by asking things like “what do we say?” will help to ensure that the behavior is not seen as something that only applies with mom and dad.

Teaching children to apologize can help them learn that their behavior has an effect on others, they have the ability to hurt others’ feelings. Taking responsibility for that early is an important skill in character development. To apologize requires honesty and integrity. When a person falls short in dealing with others, there is work to be done – acknowledging the hurtful behavior, accepting responsibility through a sincere “I’m sorry,” and making genuine efforts to not repeat the behavior. “I’m sorry” expresses remorse, which, along with respect and gratitude, completes a solid foundation of character upon which an enlightened and loving human can develop.

The Golden Sippy Cup Rule states “Any child that can walk and hold a cup should be expected to carry it to the sink when empty.” Since most sinks and counters are too high for kids this young to reach, a parent can stand by to accept the cup or a place can be designated for placing the cup when empty (with praise for a job well done). The child learns that, while they are unconditionally loved, they are still expected to contribute, take some responsibility for their lives and help take care of themselves and others. Very young children love to contribute like adults do; putting the cup in a dishwasher comes with the added joy of pressing the power button which delights any young child every time.

Daily Practice 2: Be the Best Version of Yourself with Your Children

We all know that parents must instill the foundation for their children to go on to a well-lived life. This includes helping the child develop deeply held beliefs about what is important in life and gaining the decision-making skills to live according to those principles. As we noted above, when parents are clear about shared expectations, and which priorities to instill in children, they can work as a team to integrate them in fun and creative ways so that children will internalize them as they grow up. The greatest threat to these lessons is gaps in parental behavior. Young children cannot easily process mixed messages. This means that parents must be on the same page and consistent with each other. Even more importantly, parents must be unsparingly honest about any gaps that exist between what they say and what they do. Children are laser focused on the clues they receive about these things and they will notice discrepancies. If you demand that children say please and thank you but they observe you at a restaurant not showing those courtesies to others, they will see that for what it is. If they see a lack of gratitude, they will likely feel entitled. If they see failures of respect, they will take on airs of superiority. If they never see parents apologizing, they will be less likely to take responsibility for their own behavior. No parent is perfect, but those parents that constantly seek to close gaps and demonstrate for their children the kind of people they want their children to become do a better job of parenting. One way to think about this is whether you are showing your children, day in and day out, the best version of yourself. This is not easy to do, but at the end of the day would you rather be the best version of you with your children or with strangers?

Daily Practice 3: Make it fun

Children who associate good character with punishment and drudgery are likely to rebel at some point (or be crushed by parental expectations). The lessons that stick are the ones that are fun, lighthearted and consistently delivered in positive ways. Of course, punishment is occasionally required, but the research shows that a ratio of ten positive interactions for every one negative is likely to keep relationships strong. Save the criticisms for the things that really matter. Gentle correctives for the lesser offenses make more sense.

Case Study

One family was concerned about their children learning healthy eating habits and broccoli consumption was part of that program. The parents liked broccoli (giving broccoli to the child while parents grimace and avoid it probably will not be effective). The parents pretended to be a huge monster and the broccoli was a small tree. They growled and roared and while the child held the piece of broccoli the parent grabbed it with their teeth and ate the tree with powerful monster jaws. The parent then flexed their arm muscles to show how the broccoli was making them stronger. Next it was the child's term to eat and flex. He now enjoys broccoli and other healthy foods.

It is crucial for parents to get clear about what is important and having activities that you do together instill far more values than talking about them will. If learning and education is important to you, take your children to the zoo to learn about animals and their habitats, or go to the library once a week to find and check out books (your child can swipe the library card or eventually get their own). Talk to them about your own school days and when you became a "big kid", began going to school and what it was like. At some point you might even arrange a

tour of the elementary school so that they can see for themselves what is happening there.

Daily Practice 4: Delaying Gratification

One of the hallmarks of character development is delaying gratification. In her 2016 book, “Grit: The Power of Passion and Perseverance,” psychologist Angela Duckworth discusses how successful people at the top of their fields had to be able to fail repeatedly, often for long periods of time, and somehow keep trying. Not simple. She describes “grit” as a combination of passion and perseverance and she finds it is more important than talent alone for accomplishing great things in any arena of life.

Researchers have evidence strongly suggesting that early nurturing behaviors by caretakers can “switch on” DNA-related mechanisms which control the management of stress.¹⁰ This is hopeful research connecting early attachment behaviors by parents with the ability of the child to manage stress. This is certainly useful in the context of a young child learning to fail and press on with effort – a stressful experience indeed.

For parents with significant economic resources, it can be easy to give children opportunities they would not get on their own. Over and over again, we see parents of adult children “over-function” while their children “under-function.” They find their children jobs, supplement their incomes, smooth over difficulties to make life easy and so on. These patterns begin early when parents start rescuing or protecting their children from small failures and upsets. It can range from buying things

¹⁰ In “How Children Succeed: Grit Curiosity and the Hidden Power of Character” (2012), Paul Tough writes about and reinforces the importance of being able to delay gratification. He also reviews interesting and creative research about the power of parents and other caretakers (human and other examples) who form close bonds with children to develop resilience in them.

to sooth emotional upset to intervening too early in a conflict. Parental over-function is almost always rooted in parental anxiety and overcomes parental wisdom. Parents who over-function rob their children of the opportunity to grow and develop their own capacities and capabilities. This can undermine the necessary working through of smaller frustrations and challenges and prevent development of grit. Gaining skill in these little things will serve the child well within the family’s enterprise or on their own path. It is important to expose children to different things so that they can find something for which they feel passion and then encourage them to take on hard challenges related to that passion. Allow them to fail and support them to persevere. Passion + Perseverance = Grit. And if they are not failing – it is too easy.

The psychoanalyst, Heinz Kohut, coined the term “optimal frustration” as necessary for healthy self-esteem in his book, *Restoration of the Self* (1977). Too much frustration and a child will become hopeless and give up. Too little and they do not experience the growth which comes from struggling and succeeding. It is important to expose children to demanding activities and support them to continue when frustrated. It is their internal interest and desire for the activity which fuels success and growth and that is passion.

Both science and anecdotal evidence suggest that making life too easy has negative effects on children’s self-esteem, their ability to manage stress on their own and motivation to make their way in the world. When parents “rescue” kids from difficult and challenging situations they rob them of powerful growth which would otherwise help inoculate them against many of the pitfalls of wealth.

Daily Practice 5: The Power of Stories

A legacy is something handed down from the past. For families, telling stories of the family's history is a powerful way to develop and perpetuate legacy and influence how the family's wealth affects children and their relationship to what the family has created. They can learn powerful lessons from family members before them which will guide them in handling issues related to money, family business and much more.

Bohanek and colleagues studied styles of family storytelling and identified several types.¹¹ Only the "coordinated perspective" increased self-esteem in children. This manner of storytelling involves parents and kids taking turns sharing thoughts and feelings about a family story. No one person dominates. Parents help their kids think through various aspects of the story and its deeper meaning by asking questions and encouraging kids to talk about their own reactions. Parents engage kids to better understand their own perspective and those of other family members as well as how the child and his/her ideas fit into the bigger family picture. This is not done in a lecturing manner but through back and forth exchange; the creation of meaning is done collaboratively.

Researchers Duke and Fivush¹² studied the relationship between knowing about one's family history and factors of health and resilience. They developed an exercise called "Do You Know" which asked children to answer 20 questions about their family such as, "Do you know where your parents met?" "Do you know the story of your birth?", and "Do you know an illness or something terrible which happened to your family?" They found that the

more children knew about the family history, the stronger their sense of control over their lives, the higher their self-esteem and the more successfully they believed their families functioned.

They also found that family narratives take one of three shapes: ascending, descending and oscillating. Ascending starts out with challenges and ends well. Descending is about things going well and ending poorly. They found the "most healthful" narrative is an oscillating style in which the child is told the family story balanced with ups and downs – as life usually is.

Telling the family's story with your young children in simple and straightforward ways has significant impact. As you do this, make sure to tell the story in ways that make sense from the child's point of view, ask them what the story was about. As you tell stories make sure that you include stories about challenges ("descending") as well as successes ("ascending"). Even some upsetting stories can often be told in a way that a child can understand and learn from. If too upsetting - wait until they are older.

¹¹ Family Process, 2006 Mar;45(1):39-54

¹² Specifics of Duke and Fivush work. NY Times, 3/15/2013.

CONCLUSION

Parents who focus on the character development of their children when they are very young can often save themselves from major issues when their children get older. Good parenting is not a panacea – there are plenty of things that can derail children in their teens and twenties. That said, a good foundation more often than not endures and even if children stray a bit as young adults, they often return to the lessons learned in the very earliest stages of their lives. Our advice is actually quite simple: develop a family culture you are proud of, be intentional about the parenting principles you adopt, and practice simple things daily. These three components are like legs on a stool. Following them will help you raise children who will navigate the complexities of affluence with purpose, wisdom and balance.

APPENDIX A: SELF – ASSESSMENT

Discuss the following questions with your spouse

- Do we agree on how we want to parent our children? How would we describe our parenting philosophy to someone if they asked?
- If there are unhelpful differences in our parenting approaches, how can we resolve those? What are the assumptions and beliefs that are governing our individual parenting decisions? To what extent are we trying to compensate for what we see as blindspots of each other?
- Are we emotionally supportive of our children? How, specifically, do we support them? How could we be more effectively supportive?
- Are we kind and considerate of each other?
- What are we modeling to our children that is positive?
- What are some things we are modeling that we should consider changing?
- Do we effectively challenge our children? Do we set appropriate expectations?
- Do we have balanced and effective ways of holding our children accountable when they fall short of these expectations?
- Do we encourage enough healthy failure and “getting back on the horse”?
- How are we preparing our children to succeed? Are our expectations age appropriate?
- Are we allowing our children to become self-reliant? Fostering this? Demanding it and providing opportunities to practice?
- Are there any issues in our marriage that are affecting our parenting?
- What are we doing individually to personally grow and develop?
- Do we use money or things to soothe our own anxieties or the anxieties of our children?
- How do our values and beliefs about money, finances and wealth converge and diverge? How does this affect our parenting?
- Is the lifestyle we have chosen consistent with the messages we want to communicate to our children about wealth?
- What are we doing that connects our children and us to the larger world?
- Everyone is naturally hypocritical at times; this is human. How are we?

APPENDIX B: FURTHER READING

Gottman, John et al [Raising An Emotionally Intelligent Child: The Heart of Parenting](#) (1998)

Grubman, James. [Strangers in Paradise: How Families Adapt to Wealth Across Generations](#) (2013)

Lythcott-Haims, Julie. [How to Raise an Adult: Break Free of the Overparenting Trap and Prepare Your Kid for Success](#) (2016)

Siegel, Daniel, Hartzell, Mary. [Parenting from the Inside Out: How a Deeper Self-Understanding Can Help You Raise Children Who Thrive](#) (2003)

Tough, Paul. [How Children Succeed: Grit, Curiosity and the Hidden Power of Character](#) (2012)

Tsabury, Shefali. [The Conscious Parent: Transforming Ourselves Empowering Our Children](#) (2010)

Twist, Lynne. [The Soul of Money: Transforming Your Relationship with Money and Your Life](#) (2003)

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