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WEALTH MATTERS

Teaching Work Values to Children of Wealth

By PAUL SULLIVAN

Published: May 28, 2010

Steven D. Hayworth, chief executive of Gibraltar Private Bank and Trust, is thrilled that his daughter will be working this summer at a women's clothing store before heading to college in the fall. It is not the particular job that pleases Mr. Hayworth. Rather, he is hoping his daughter will make the connection between how much she earns each day and what that will buy.

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John van Beekum for The New York Times

Steven D. Hayworth, chairman and chief of Gibraltar Private Bank and Trust in Coral Gables, Fla., hopes that his daughter's summer retailing job will teach her the worth of a dollar.

Wealth Matters

Paul Sullivan writes about strategies that the wealthy use to manage their money and their overall well-being.



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Would you encourage your children to work if they didn't have to?



“As a parent who has worked his whole life and has had a little bit of success in my career, one of the huge life lessons I learned early on is the value of a dollar,” said Mr. Hayworth, whose bank is based in Coral Gables, Fla. “Particularly for children of upper-middle-class and affluent families, there’s no perspective on value. When the new Range Rover pulls into the driveway, there’s no concept of how many hours of hard work went into owning that vehicle.”

Unlike many collegebound children today, Mr. Hayworth’s daughter would have had no worries if she had not been able to find a job. She could have spent the summer by the pool knowing her parents had the money to put her through college.

But the fact that she does not have to work is exactly what worries Mr. Hayworth and many other affluent parents. The recession and tight job market have made it imperative to teach their children the value of work. They worry about that, it seems, more than about any short-term swings in their portfolios.

“This is a tremendously confusing time for families,” said Matthew E. Brady, head of wealth advisory in the Americas for [Barclays](#) Wealth. “The issue of children is the most important topic that affects our clients. It’s the topic that comes up most consistently in every conversation.”

A whole coterie of experts has sprung up in the last few years to coach the children of affluence into the working world.

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Gibraltar offers classes in “financial life skills” that cover topics including saving, preventing debt and how money affects friendships. [J. P. Morgan](#) Private Bank offers what it calls “Next Generation Leadership” seminars.

This may seem unnecessary, unfair or worse to parents with fewer means and just as many concerns about their children’s futures. But the central issue for all parents is the same: how do you raise children who are productive? With summer near, this is a good time to review how parents can truly help their children.

HOUSE RULES Parents of various means are facing the prospect of adult children who have to move home because they cannot find a job.

Brad Klontz, a financial psychologist and co-author of “Mind Over Money” (Broadway Business, 2009), said parents should set ground rules from the outset, including charging children rent. Without rules, there is a risk of what he calls “financial enabling.”

“It’s financial help that hurts,” he said. “You condition them that there will always be enough money — whatever my needs are, they will always be taken care of.”

In charging them to live back under your roof, you are also forcing them to become aware of expenses, which many of them may know little about.

“You have to help a kid understand what it means out there,” said Joline Godfrey, chief executive of Independent Means, a consultant in Santa Barbara, Calif., that focuses on financial education. “You can’t expect kids to go out in the world and be self-sufficient if they don’t know what a utility bill is.”

BAD HELP Parents usually mean well when they try to help their children financially. They do not want their children to fail or they want their children to have a better life than they had. But providing too much can hurt children.

This is not just an issue for college-age children. When children are younger, overscheduling them into after-school and summer programs robs them of the chance to accomplish things on their own, said Debbie Cox, managing director at J. P. Morgan Private Bank in Dallas. “They don’t have time to get into the community on their own,” she said. “Kids just don’t have time to get a job any more.”

Hand in hand with this is parents’ obsessive focus on formal education. It often comes at the expense of what Ms. Cox calls social and financial education. One thing a tough summer job market could be good for is improving children’s social education: volunteering is perfect for this and better than hanging out with friends.

“They need to learn what it’s like to get up every morning and get to that job and help someone with something,” Ms. Cox said.

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How have you helped your children become more financially independent? Leave a comment at nytimes.com/bucks.

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