

You don't have to be rich to be spoiled

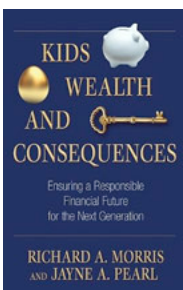


We've found that children who grow up in ultra-wealthy families tend to cluster around one of two extremes on the entitlement-guilt continuum. Entitled children are so used to getting everything they want and having every whim indulged that they start to see the world's purpose as a means to satisfying their every want. At the other end of the spectrum, those who feel guilt tend to feel bad about having so much when so many other people have so little, and they question their right to live a privileged lifestyle when they did not earn it themselves.

Even financially impoverished children can feel entitled, but for very different reasons. They feel the world owes them what they want and need because their families have endured extreme hardships. They may not feel guilty, unless of course they behave badly.

How can parents restore some sense of balance in their children, to bring them closer to the middle of the continuum? Instead of feeling guilty or entitled, how can well-to-do children appreciate what they have and not lose their sense of drive, ambition, passion and purpose — important traits that enhance one's chances of achieving happiness and success?

Actually, the answer is the same for children who feel entitled as those who feel guilt — no matter what their economic strata: philanthropy. Encouraging kids to participate in volunteering (ideally, as a family), to have a say in which causes the family will support with its donations, and to contribute some of their own money to the families donations will expose them to people much less fortunate than they are. As one father puts it, he likes to invest financial equity in any cause to which his teens invest their sweat equity. On the other hand, philanthropy can also help guilt-ridden children by helping them see that the family's money helps people in need and helps make the world a better place. Money may come to represent not just hedonism, but also needy causes.



And what about poor-but-entitled kids? Even if their family cannot afford to donate to a cause, it's still possible for parents to impart in them a spirit of giving, whether helping a sick neighbor by picking up their medicine and doing their grocery shopping, or perhaps reading to them; or helping out at the soup kitchen where there may be people even less fortunate than the child is.

Philanthropy, it turns out, is a powerful tool not only for improving the world around us, but also for improving ourselves and our children.

*Jayne Pearl and Richard Morris are co-authors of **Kids, Wealth, and Consequences: Ensuring a Responsible Financial Future for the Next Generation** (Bloomberg Press).*