

## Does money define you? Or do you define money, and what it's for?



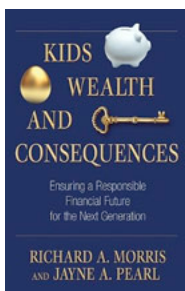
Many people work their entire lives trying to accumulate more and more of the green stuff. Many of them do not make much time to enjoy themselves along the way, let alone spend quality and quantity time with their family, let alone give something back to society. Consciously or unconsciously, they let money define them.

And then the financial meltdown happened in late 2008. The economic crisis has made everyone, across the income spectrum, realize that money is a limited resource, and we'd better learn how to live within our means. Intellectually, we may have known this, but on an emotional level, it just didn't seem possible we'd have to.

No wonder: Most of us have lived in a world where there have been bumps in the road financially, but we never had reason to believe that a draconian 1929-type financial crisis could happen again. Not with bank regulations and FDIC-insured bank accounts that are supposed to protect consumers! Not with all sorts of computerized trading mechanisms that are supposed to ensure nearly perfectly efficient stock-market operations! Not with real estate that seemed to defy the law of gravity!

But alas, what goes up must come down – at least for a little while. Sometimes the bears overtake the bulls. If 2008 has taught us anything, it's that we need to be more thoughtful about our connection to money. We need to decide how we want to define money and what it's for. This is the mission of **Kids, Wealth, and Consequences**.

We wrote this book with uber-wealthy people in mind. But the message applies just as deeply to folks of more modest means. In fact, this book may be more important before you amass a fortune. If your goal is to make a lot of money one day, it can be tremendously helpful to anticipate and thoughtfully avoid the many pitfalls and traps money can create. And there are many! For instance, many



people get swept up in accumulating their riches, and never feel they have enough money—even if they acquire billions. At what point will you feel you have enough? At what cost does your hard work impose on your family, and how can you find and maintain a better balance?

It's not easy. But the many experts we interviewed—from the worlds of finance, psychology, wealth management, academia and wealthy parents themselves—offer thoughtful suggestions about how we can stay focused on our values. As important, how to try to align our spending, investing and communication to our children with those values and avoid the unintended consequences that can come with creature comforts.

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

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Posted by [TokyoSuperFrog](#) at 1:01 pm on February 26th, 2010.