

## **Advice for Silicon Valley's Wealthy: Educate Children About Finances**

Posted by Janet Brewer on Tue, Nov 09, 2010 @ 12:33 AM



For ultra-wealthy families, financial education is essential to controlling and [preserving wealth](#) for successive generations. However, financial education entails more than occasional discussions about money.

To successfully educate your children about finances, you must have regular, open discussions about money. Studies show that beliefs, attitudes, and perceptions about money and wealth are established by the time a child reaches twelve years of age.

So, how you live and how you spend and talk about money will have an immense impact on your children long before they reach their teen years.

### **Age appropriate discussions are key**

Any discussions you have with your children should be age appropriate. Your discussions with your children should focus on various financial topics including:

- Budgeting
- Saving
- Investing
- Philanthropy and charitable giving
- How credit works; and

- Borrowing and using credit wisely

## **Do you own a family business?**

If you own a family business, you should educate your children about the business, including its original formation and your future plans for growth and expansion. If it's your desire for your children to join the family business when they are adults, you should familiarize them with how the business runs and assist them in acquiring and honing the skills necessary for them to [take on key roles within the business](#) when they are ready.

## **Setting a good example**

A key component of financial education is wealth management. Set a good example for your children by practicing good [wealth management strategies](#). Teach your children the importance of balancing a checkbook, avoiding impulse buys, and obtaining expert investing advice. Additionally, make sure your children understand that money is more than just a tool to support a lavish lifestyle; it is the reward of hard work.

You may also consider more formal financial education for your children. There are classes, workshops, and camps that focus on financial literacy, including the stock market, taxes, inflation, and other portfolio expenses, and how fluctuations in the economy can impact a portfolio.

## **Assisting high net worth clients**

Ensuring that your children are financially literate is critical to the success of your estate plan and to preserving wealth for your grandchildren, great grandchildren, and future generations. As a board certified estate planning attorney, Janet Brewer has assisted high-net worth clients in Palo Alto, Santa Clara, San Francisco, and the surrounding areas in formulating personalized estate plans. If you would like to formulate or rework your estate plan, please contact The Law Offices of Janet Brewer.

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