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Book Review

Silver Spoon Kids: How Successful Parents Raise Responsible Children

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Gallo, Eileen, Ph.D. and Gallo, Jon, J.D. (2002). *Silver Spoon Kids: How Successful Parents Raise Responsible Children.* McGraw Hill, 266 pp., $16.20, ISBN: 978-0809294374

Silver Spoon Kids: How Successful Parents Raise Responsible Children, by Eileen and Jon Gallo, offers readers practical advice and tools for raising responsible children who have a healthy relationship with money. Eileen Gallo is a practicing psychotherapist specializing in psychological issues related to money and family wealth. The late Jon Gallo was a well-respected estate planning attorney who, like his wife, was interested in the emotional and psychological issues that go along with estate and financial planning. The book is a thought-provoking and insightful read targeted to "affluent parents" (p. 1), but affluence is not limited to the rich in the authors' minds. Therefore, the book also includes many valuable messages for parents of more modest financial means.

The authors note that affluence has become a middle-class phenomenon due to various cultural changes, including inherited money, the increase in dual-income households, and the increased availability of credit. The authors begin with a checklist for determining just who qualifies as affluent. The authors further present the potential positive and negative effects of affluence on children. Positive effects include financial security, freedom to learn and explore, the ability to try many interesting things, exposure to the finer things in life, philanthropic opportunities, friendships with other affluent kids, and appreciation for the rewards of hard work. Negative effects include a lack of motivation to achieve, laziness, activity overload, overindulgence, a false sense of entitlement, snobbery, and extreme materialism.

The book's primary focus is to provide information and tools that the authors, by their own admission, wish they had known when they were raising their family. Eileen and Jon Gallo point out that money affluence brings additional parenting responsibility. The book's premise is that affluence does not necessarily make parenting easier because people have not been educated to parent in an affluent society. The authors argue that family values and religious beliefs that used to be the main influences on children have been diluted by secular and societal values. Thus, it is of utmost importance that responsible parents address money

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issues both by looking inward at their own values and actions and by communicating openly with their children about money.

Each chapter of the book contains an interesting and well-organized presentation on one aspect of raising responsible children in the age of affluence, setting forth useful tools and advice for parents. For example, there are individual chapters that cover such topics as child development, money personalities, money values, and financial communication tips. The chapters may be read in succession or readers may choose chapters based on their own unique situations.

The authors provide four basic overarching themes throughout the book and include recommendations for parents:

- **Self-awareness in parents around their own financial beliefs**
  This theme includes parents taking all necessary steps to facilitate a child's healthy passage through each of the identified developmental stages by being consistently physically and emotionally available to them. In addition, parents are encouraged to perform self-assessments through the use of checklists and a money genogram to determine their own money personality and level of security with money in the dimensions of acquisition, use, and management. This self-awareness is intended to assist with consideration of the money messages parents send to their children.

- **Teach children about money through both words and actions**
  Through direct communication, parents must convey to their children the fact that money is emotionally neutral and that people can be happy at all points on the spectrum, with very little or with a lot of money. The authors provide sometimes obvious, common-sense advice that parents should regularly just hang out and be present with their children, with no specific agenda, taking advantage of opportunities to teach about money and to tell stories about their own histories and mistakes they've made in the past with money. In addition to open communication around money, the authors also recommend that children be given allowances from an early age. However, they advise allowance be framed as a share in the family resources, not as a reward for specific achievements (such as a certain number of "A" grades). Allowances are, in the authors' view, a teaching opportunity for lessons in both budgeting and spending.

- **Live your values**
  As both parents and counselors, the authors have found that "people who live in accordance with their values live happy lives" (pp. 62-63). Parents must be conscious of how they translate their own personal values to money values. They must identify what is important to them about money and act consistently with those money values. Money values are communicated by the ways we interact with money in the three dimensions of acquisition, use, and management. The authors go further to suggest that each family should develop their own family mission statement. Our words and actions are of utmost importance in setting a healthy example for our children. Living

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intentionally and consistently with our values is also noted to be a proven strong defense against some of the possible negative impacts of affluence, such as a lack of motivation and purpose, a sense of entitlement, and a sense of individual superiority over other economic groups.

- **Raise Givers rather than Getters**
  Children should be introduced to the concept and practice of helping and being of service to others from an early age, with both hands-on volunteerism and other targeted philanthropic activities. Helping others creates a sense of satisfaction and mastery over one's life and can stem some of the negative impacts of affluence, such as a false sense of entitlement or prejudices against others of differing economic and social classes. The authors also devote a chapter to discussion of targeted family wealth planning through the creation of giving and estate plans that reflect the family's money values. It is suggested that these plans should earmark the allocation of resources to those things the family values, whether that be education, the arts, entrepreneurship, or other aspirations. Creation of trusts is discussed in detail, noting that involving the children in the administration of those trusts increasingly as they mature has the effect of maximizing the educational value of the trust.

A strength of the book is that it takes a balanced approach to the topic by providing recommendations from professionals with backgrounds in both financial therapy and financial planning. Many of the recommendations point out things that make good common sense and that are fairly easy to implement. In addition, the information presented on the potential positive and negative impacts of affluence in today's society and the ways to counter the negative effects is extremely relevant and important for any serious financial planner, financial therapist, or parent. Each of the book's eleven chapters provides useful resources, such as self-tests to promote self-awareness, numerous checklists, and proposed action steps. Thus, *Silver Spoon Kids* could be an invaluable guide for both professionals and parents in raising awareness and providing practical steps to be taken to promote children's financial responsibility. Another strength of *Silver Spoon Kids* is that much of the advice presented is not exclusively applicable to the extremely wealthy. This is in contrast to a few other notable books that cover the subject of successfully handling family wealth. *Preparing Heirs* by Roy Williams and Vic Presser and *Wealth in Families* by Charles Collier are two well-reviewed books that cover wealth management with a greater focus on philanthropy and estate planning, respectively. While these books also provide beneficial advice, they are more singularly focused on these individual dimensions of family wealth planning for the wealthiest clients. On the other hand, *Silver Spoon Kids* provides a balanced look at a wider range of money issues in families. Readers may pick and choose which parts of the book they wish to work on and implement in their own personal situations.

The authors have many combined years of experience working with clients in financial planning and financial therapy. They present their own subjective, professional opinions regarding the effects of affluence and what can be done to counter the perceived negative impacts. Information from a few sample case studies is provided to illustrate certain points. To that extent, the authors may be somewhat biased in presenting details and recommendations that confirm their own beliefs and their own perceptions of what they

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have observed with clients. In this regard, readers must objectively determine if and to what extent they agree with each of the effects and recommended actions presented, or how pertinent each is to their personal situation. For example, the authors are strong proponents of providing children with allowances. The reader must evaluate for themselves whether this recommendation would be appropriate and effective for their unique financial circumstances.

The message of *Silver Spoon Kids* is one of actively raising the affluent parent's self-awareness about money values and using that self-awareness to positively transfer those money values to their children. Parents should never view money as a taboo subject. Instead, they should openly discuss their values and history with the acquisition, use, and management of money. They should make every effort to spend regular time with their children and be emotionally available so that the children may develop a positive relationship with money themselves. Eileen and Jon Gallo nicely summarize the core message of *Silver Spoon Kids* at the conclusion of the book, when they note: ”Our lives need to create a narrative in which money is placed in perspective for our children: money is a tool that helps us enjoy a full life, provides us with opportunities to give back to the community, and makes it possible to create and treasure day-to-day human moments with our families’’(p. 240).

Many of the tools set forth in *Silver Spoon Kids* can be used by financial therapists in practice with clients of varying levels of wealth to educate on the importance of raising children with a keen awareness of their own individual money styles and personalities, as well as an understanding of the money values the parents wish to pass on. As noted earlier, the book provides many useful checklists and tools (including money genograms) for identifying individual money personalities and levels of security in the dimensions of acquisition, use, and management. Financial therapists may find it useful to pick and choose topics from selected chapters to review with their clients, as deemed appropriate to the client's individual situation. Therapists may also have clients review parts of *Silver Spoon Kids* on their own to gain a well-informed perspective on achieving a healthy self-awareness about money and setting a positive example in conveying their money values to the next generation.

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