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The Hidden Weight of Wealth: Guiding the Next Generation

By Nicole Perkins

In today's world of instant information access, your family's financial standing is likely not a secret, whether you think it is or not. A simple Google search, real estate app, or news article can reveal details about your wealth to anyone — including your children and their peers.

While this transparency can be unsettling, it presents an opportunity to initiate open conversations about wealth within your family. It also provides a chance to proactively address the often-unspoken stigma surrounding wealth and its potential impact on family members.

The Stigma: More Than Just Money

The perceived stigma of wealth can go beyond mere numbers. It can be influenced by reoccurring narratives in the media, politics, and social media that often portray the wealthy in a negative light. Research from the University of Maryland has shown that children and adolescents can harbor negative stereotypes about their affluent peers, assuming they are less kind or inclusive as a result of their family's financial standings. Dr. Gordon Jones, in a LinkedIn post titled "Stigma Against Wealth," noted that society often pressures wealthy individuals to "justify their monetary situation" as if their success is a "mistake of justice."

The stigma around wealth creates extra worry and doubt, making it more challenging than it already might be for a person to address or seek the professional treatment they may need to take care of their mental health.

The Well-Being of Your Heirs: A Shared Responsibility

This stigma can be a heavy burden for anyone, but it can be particularly impactful on younger generations. The constant pressure to appear "normal" or to justify their family's wealth and live up to inferred societal expectations can lead to anxiety, depression, and an unhealthy relationship with money. The 2017 BBC program "The Stigma of Great Wealth" explored these anxieties, revealing the complexities that those who inherit or earn significant wealth often face.

The paradoxical stigma of wealth can pose unique and far-reaching challenges to the mental well-being of teens and young adults. In "Ways That Being Wealthy Can Affect Your Mental Health," The Blair Wellness Group discusses how "Wealth and mental health affect each other in unique, often detrimental ways. Money itself can create complications with symptoms or enable maladaptive coping behaviors. Additionally, wealthy people face unique circumstances, pressures, and experiences that can create or exacerbate Mental Health Conditions."

Triggered feelings of guilt and shame can make it difficult for those affected to seek help for mental health conditions. For some, the resulting pressure can lead to apathy toward or even rejection of their family's wealth.

This is why it's particularly important for parents or caregivers to take an active role in educating their children about wealth – not just the challenges, but also the many positives including individual privileges and philanthropic opportunities – that come with responsible wealth management. By fostering open communication and providing guidance, you can empower your children to navigate the complexities of their financial status and develop a healthy relationship with their inheritance.

A Roadmap for Raising Savvy and Resilient Children

- **Start Early and Keep Talking**: Initiate conversations about wealth early in your children's lives. Encourage open dialogue and address any questions or concerns they may have. Remember, it's an ongoing conversation, not a one-time talk. Lead by example with authenticity.
- **Foster Transparency and Trust**: Be honest about your family's financial situation and the responsibilities that come with wealth. Teach your children about investments, taxes, and the importance — and joy — of giving back to the community. Establish a clear understanding of financial realities.
- **Prepare Them for Challenges**: Discuss the potential for backlash or judgment due to perceptions around the family's wealth and prepare for them to address challenges head-on. Help them develop the skills, sense of self, and internal resolve to handle criticism while staying true to their values.
- **Cultivate Stewardship**: Instill a sense of responsibility. Share your own journey and invaluable lessons regarding the struggles, confidence and sense of pride you may have faced in developing your stewardship and sense of wealth. Be open to questions and discussions around your own journey.

Creating A Legacy of Well-Being

By proactively addressing the topic of wealth and sharing your family's values, you can prepare your children to navigate the challenges of stewardship and proudly carry on your family's legacy for generations to come.

Contact your advisor or insights@greshampartners.com to discuss how we can empower your family to thrive in the face of wealth's unique challenges.

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