Fundamentals of Values Based Parenting

BY AMY ZEHNDER, MANAGING DIRECTOR, SENIOR WEALTH DYNAMICS COACH
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Successfully teaching your child a new skill depends a lot on timing. From potty training to financial management, there is a process that can enhance the effectiveness of your skill training and increase the potential that the behavior is sustainable for the long term. To understand this process, consider the pyramid below.

**SKILL BUILDING PYRAMID**

At the foundation of the pyramid is personal readiness. Your child must be at a developmental stage where he/she is capable of learning the new skill. You wouldn’t attempt to teach a 6 year old to drive a car any more than you would try to teach a 6 month old to ride a bike. From both a physical and cognitive functioning level, they are not ready. At certain ages, though, your child will be ready to take on new and challenging skills. At age 15, most kids have the muscle coordination and cognitive ability to learn to drive a car, with
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Careful supervision and in less challenging environments. At age 16, the new driver requires less supervision and can take on more challenging situations.

Similarly, regarding money and finance skills, at a young age your child can most likely comprehend the concept of dividing money into 4 jars or piggy banks: one for saving (not to be touched), one for giving or charity, one for delayed gratification (things they want to buy once they have enough money saved up; things that cost more than one week’s allowance), and one for petty cash -- to buy the little things at the grocery store that they ‘have to have’. By being exposed to this money dividing concept, as a child matures with age, he/she will be ready to understand wants vs. needs, the value of money, delayed gratification, compound interest and budgeting, to name a few concepts. But regardless of the intended skill, a child must be ready to learn it before he or she can actually acquire that skill.

This leads to the second layer of the Skill Building Pyramid: Core Concepts and Values. As you embark on teaching your child a new skill, consider the concept(s) and value(s) you are trying to impart. Using the new driver example from above, chances are you want to teach your young adult child core concepts and values such as safety, responsibility, awareness, trust, problem solving and how to make smart choices (i.e. no texting and driving, no drinking and driving, and which friends to allow in the car because they will keep the environment safe).

When you are instructing a child on a new skill, be mindful of including your core concepts and values into the learning lesson. The childhood lemonade stand is a perfect example. A colleague’s child received a lemonade stand kit for his birthday. All the child wanted to do was run out to the curb, set it up and start selling. The parent wanted to teach the child basic business concepts, so, instead of just giving the child all of the ingredients for lemonade (which would teach the child that all money coming in is profit), he had the child go to the store and buy the ingredients and take a loan from his parents to pay for them. Once the stand made enough to repay the loan, the child could keep the rest as profit.

Along the way, this parent communicated the concepts and values he was trying to teach his child. He said things such as, “making money is fun and we all like to make money. I want you to know the difference between selling and making a profit. Profit is what you make once you pay all of the expenses. In business, the goal is not just sales; it is profit.” In the end, as the child learned how to sell, he also learned about profit and leveraging debt, and he improved his overall business acumen.

This is an example of how one parent thought through the concepts and values he wanted to teach before moving directly to action or solutions with his child. All too often, we humans want to move to the tactical piece of how to do something without considering the core concepts or values behind it. For example, consider your response if a friend came to you and asked for your help. She inquires, “You’re good with money. How can I teach my teenagers budgeting skills?” How would you reply? Would you immediately think about an Excel spreadsheet or online software program that she could use to help manage the process, or would you first ask her questions about the core concepts and values she is trying to impart?
trying to teach her kids? If your first response was the latter, you’re on the right track. If you went right to the tactical, in the future, consider asking questions that clarify values and key concepts first. For example, “What values do you want to reinforce?” “What have you been modeling regarding budgets?” “What is it about budgeting that you want them to learn?”

With any lesson you are trying to teach your children, exploring the core concepts and values first provides clarity of purpose and answers the question, “Why is this so important?” Once you know why it is important, you can articulate this more clearly and provide the logic they, too, may be looking for in the learning experience.

The next layer of the Skill Building Pyramid to consider is the Theory or Model. You probably already do this with your kids without realizing it. We naturally teach how things should work. Expanding on the car example, we teach our kids that when you step on the brake, the car stops. Some people even provide technical details such as, “For every 10 mph you are driving, it will take one car length to stop, so if you are going 60 mph, it will take you 6 car lengths to stop.” Using the lemonade stand example, even though the parent didn’t think about exactly which profit and loss model he was going to use, he was teaching his child a profit and loss business model. Theories and models used to teach skills are endless. Almost every class, every teacher, every concept is rooted in a model or theory. We make choices every day based on models and theories that we’ve been taught and those that we believe in. When teaching children new skills, be mindful of the models and theories that support the core concept or value you are trying to impart.

That brings us to the Skill level of the pyramid, the place we normally want to start because we are good at it. In fact, we often excel at the skill level because it is the most tangible and observable piece of the process and we can be known, rewarded and recognized for being the expert in an area. We like to share our knowledge of how things should be accomplished.

Teaching the skill piece is all about the specifics of how to accomplish the task or project. It provides the detailed instructions necessary for success. It often includes step-by-step instructions, be they in writing or through ongoing show and tell, they are the play book of what you are looking for in terms of desired actions and behaviors.

For ongoing learning to be the most effective, your child must have Will – the last step in the pyramid. Will is the desire to implement a newly learned skill; will is what keeps people growing and building upon their skills.

Will comes from two places:

1) From within. Only you know if you are willing to do something. Even if you don’t want to do it, are you willing? Are you willing to give something a try? And are you willing to implement a new way of thinking or behaving? Will is the single most important factor in putting skills to use. When our will to behave in a certain way fades, the best hope we have for keeping it going or reigniting it is to look at the core value it was tied to. If we
value it, truly value it, we tend to find ways to keep it alive. The old adage holds true here. “Where there is a will, there is a way.”

2) From behaviors modeled by people of influence in our lives. Children learn most of their core values from watching their parents in action. The greatest lessons come from behaviors that are modeled consistently. Take a look at a parent who is trying to teach his kids to live on a budget. If mom or dad speaks of the budget or provides finance updates to the family relative to the budget, then the kids learn that a budget is important. In fact, Neale Godfrey in her book, *Money Still Doesn’t Grow on Trees*, teaches parents to use the phrase, “This doesn’t fit into our budget”. Godfrey says, “This doesn’t fit into our budget” is not the same as, ‘we can’t afford it.’ The problem with ‘we can’t afford it’ is that it doesn’t mean anything; in fact you probably can afford it." The benefit of using “This doesn’t fit into our budget” teaches kids that no matter what your family’s level of wealth, you are operating with a budget. If your children don’t know that a family budget exists, it will be harder to get them to believe in the importance of one, much less live by one. A discrepancy often exists between what we could spend on ourselves and what we choose to spend in areas we budget.

Using the Skill Building Pyramid does not need to be complicated or time consuming. Many of the layers of the pyramid can occur in minutes. You may easily think through the first three layers, Readiness, Concept/Value and Model/Theory, quickly bringing you to the place you wanted to start anyway: teaching the Skill. Of course, the top of the pyramid, Will, is a key factor for increasing the overall effectiveness of any learning. When it comes to your children, consistently modeling the desired behavior plays a large role in creating and fostering will. When it comes to your own personal growth and skill building scenarios, you own the will.

**PULLING IT ALL TOGETHER**

The following example walks you through the Skill Building Pyramid from start to finish using a desired skill that we can all relate to, “How can I be more physically fit?”

First, ask yourself if you are capable, mentally and physically, of taking on a fitness program. Chances are you are capable of making this decision for yourself. Assuming you are personally ready, think about your core values. What value will any new fitness skills support or enhance? For many, this will be the value of health. For some it could be the value of work/life balance. Others might include values such as achievement, ambition, competition, inner harmony, personal growth or purpose. No matter what value is right for you, knowing the value you are attaching to a new skill is extremely helpful.

Next, study the theory behind what you are trying to achieve with your fitness program. In theory, weight loss comes down to ‘eat less and exercise more’. But that’s only one theory. Some weight loss theories include eating high protein, low carbohydrate meals; others do it by counting points; some theories teach that you can achieve your fitness goals by doing high intensity cardio training combined with lifting weights. There are many theories
for you to choose from. Once you know what theory you want to embrace, learn the skill(s) associated with that theory. If you opt for high intensity cardio and weight training as your fitness program, you will want to make sure you have the necessary skills to support this decision. What will your workouts look like in action?

Now, here is the hardest piece of the equation, how much will do you have to keep this going – day after day, week after week, year after year? You can have all of the theory and skill in the world, but without the will, it’s hard to embrace certain changes long-term. This is where the values piece comes back into play. Dive deep into understanding why the value tied to your new skill is so important to you. My fitness skills are tied to my values of self confidence and personal freedom. I value fitness because it allows me to look great in my clothes and to do any activity that surfaces without questioning if my body is capable of it or not. Knowing this, it is easier for me to have the will that keeps my exercise program alive, year after year. Core values guide behaviors and actions. What does it take for something to truly be one of your core values? Will.

Hopefully by now you are seeing how the pieces of the Skill Building Pyramid fit together. Here’s one more example, tying the pyramid to money management. Let’s assume you want to teach your teen or young adult child how to create and live by a budget.

**BUDGETING EXAMPLE**

**Readiness Level**

Starting at the bottom of the pyramid, are your children capable of learning budgeting skills? Can they manipulate a spreadsheet, do they know the value of money, and are they familiar with billing cycles and payment due dates?

**Core Concept/Value Level**

Assuming they are ready, consider the core concept(s) or value(s) you are trying to teach your children. Are you trying to break bad habits or reinforce good ones? Are you trying to teach concepts such as creating awareness of how much things cost, how to control spending, how to be a responsible wealth owner, how to make smart money choices, how to handle unexpected expenses, how to make difficult decisions when it comes to spending? And/or are you trying to impart values such as security, freedom, moderation, sustainability, trust, purpose or achievement? Consider what would be the most important concept or value to teach your children. For purposes of this example, let’s choose the concept/value of responsible wealth ownership.

**Theory/Model Level**

In support of our key concept, responsible wealth ownership, we will choose a model that best supports our desired state. Although there are many theories and models available, we will use the Four Account approach (discussed earlier with piggy banks) and set up four accounts for your each child to manage. One account is for saving, the second is for charity/
As the parent, you decide how much will be funded into each account and how future funds will be added (including frequency and any shared contributions with your child).

You will also set expectations and be very clear about how each account is to be used and for what purposes. For example:

**Savings Account**

The savings account will be your children’s safety net from now on. When they run out of money in their petty cash or monthly bills account, they will need to cover the deficit from their savings account. You will no longer be their safety net, regardless of how much begging occurs, how important the item, event or trip is, or how bad the emergency is (with the exception of a real, life-threatening emergency). Young adult children need to know that their parents are serious and they will test you! Be prepared with responses such as, “That’s a bummer, sweetie. How are you going to live without your phone now?” Or, “I’m sorry, I know that trip was really important to you. Maybe next year you’ll be able to go.” Parents need to stick to their guns! Fact: What’s the average number of times children of all ages will beg for their parents to give in? NINE!

Back to the savings account…to up the ante and provide some incentive for saving, create a challenge for your children: At the end of one year, you’ll match, dollar for dollar, any remaining money in the savings account.

**Charity/Gifting Account**

The charity/gifting account is money set aside to give to other people and/or organizations. If your child is passionate about animals, he may decide to donate money to a local shelter. If she has a friend in great need, help may come from this charity/giving account – not from you. Again, to up the ante, you might agree to match any money that is given to a true charitable organization. Note: *This account can easily be merged with the monthly bills account and tracked as a separate line item.*

**Monthly Bills Account**

Determine and be clear with your young adult child about who is paying for what monthly expenses, including groceries, car insurance, trips home, travel with friends, portions of the joint family accounts such as Amazon, cell phone plans, iTunes, Netflix, etc. Consider how the spending activity (budget) will be monitored and reported, and by whom. If there an accounting program or spreadsheet you want your child to use, be specific about it. If the core concept is to teach responsible wealth ownership, ideally your child should take on as much of the monitoring and reporting as possible.
Petty Cash Account

This would cover daily living expenses such as meals, parking and the occasional movie. If an item is billed monthly, such as parking, it should go into the monthly bills account. Similar to the charity/gifting account, petty cash money could be combined with the monthly bills account and tracked as a separate line item. However, monitoring petty cash in the monthly billing account can become more of a challenge because there is danger in shorting the monthly billing account with daily spending.

Credit Cards

One more very important part of the budgeting process to be determined before you move on is how credit cards will be used in conjunction with this model. Will the children have their own credit cards to start establishing credit? Will they be pre-loaded with funds that run out each month? It is important to start building credit at an early age, yet it is just as important to teach how credit works. Concepts such as compound interest, minimum payments, purpose of credit and what things really cost if you only pay the minimum payment are key concepts that need to be taught and learned if credit is going to be involved in the budgeting process.

Skill Level

Once all of this is clearly outlined and articulated, you are ready to implement the plan and teach the desired skills. Using the model outlined above, begin by teaching your child the ins and outs of the four accounts, including how to set up the budget, make payments and deposits, how online banking works, where to obtain bank and credit card statements and how to read them, how to track and monitor expenses on a monthly basis and how you want budget and expense information presented back to you.

Will Level

At this point, your child requires Will to carry out his/her new budget. Remember, Will comes from two places: 1) From within: Share the benefit of learning these skills and help him see what’s in it for him. 2) From modeling what you are asking for and being committed to sticking to it with your children. Most values transferred down from one generation to the next are caught, not taught. If you aren’t taking the time out of your schedule to do your own budgets, why should your kids? If you don’t hold your ground when they run out of money one month or at the end of the year, and instead give them money, why should they try to live within their budget? You must care about this just as much, if not more, than your child for him/her to see that you have the will to insist upon and monitor/manage a budget.
SIMPLIFYING THE PROCESS

Knowing what to teach your children when is an art, something at which we all want to be successful. The Skill Building Pyramid provides a means to gain clarity as to what, specifically, you are trying to teach your children and how best to go about teaching them.

Now that you know the components of teaching your child a new skill, you can simplify the pyramid into two columns. At minimum, do this with all major life learning lessons you are trying to teach your children. This is the beauty of combining the “what” with the “how,” the qualitative with the quantitative, and the emotional with the logical. By discovering and combining the steps for both columns, the purpose behind the action will inevitably allow the action to occur at greater speed, with greater success and greater will.

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<th>CONCEPTS / VALUES</th>
<th>MODEL / THEORY / SKILL</th>
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VALUE BASED PARENTING PAYS DIVIDENDS

Parents want to do what is best for their children and teach them appropriate life lessons at appropriate developmental stages. Knowing what to teach your children when is an art, something at which we all want to be successful. The Skill Building Pyramid provides a means to gain clarity as to what, specifically, you are trying to teach your children and how best to go about teaching them. It provides a means to enhance your child’s learning success. As humans, we are notorious for going right to solutions or ‘how’ things should be accomplished. Although teaching the skill of “how” to accomplish the task or project is still at the heart of the learning experience, knowing the supporting core concepts and values can add meaning and sustainability. By adding the other layers of the pyramid, such as personal readiness and theory/model, you can gain insight into whether the timing is right for your children, and then gain clarity as to what, specifically, you are teaching them and why. The layers of the pyramid bring the pieces together for you and help you answer the vital questions of “what, when, why and how” surrounding the learning experience. Top it off with will, and your children are well on their way to long-term skill development and competency growth.

The next time you want to teach your child a new skill, pause for a moment and think: Is he/she ready for this? What is the core concept or value I am trying to teach? What model or theory am I basing this on? What are my expectations about how this new skill will be performed? How invested is my child in this learning experience? These five questions cover all layers of the pyramid, and it is the process we encourage you to try as well.
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References
