

4 Tips to Get Your Children Ahead Financially



Make Your Children Smart, Not Spoiled.

March 22nd, 2023

Hello,

Top of mind for most of my clients and friends:

How can I best plan and prepare my kids for their financial future?

As HNW entrepreneurs, you're always thinking about how to grow your investments, but what are you doing for your kids' financial future?

Most of you are concerned with your young family members becoming spoiled or entitled, but you want to teach them and help them become competent and confident with money.

4 specific money strategies that will benefit the young kids and teenagers in your family:

#1 Creating a trust is one of the most effective ways to protect and manage your assets for the benefit of your children (and grandchildren). Trusts may offer tax benefits, creditor protection, and can ensure that your children receive their inheritance according to your exact wishes.

#2 If you're planning to fund your children's education, a 529 plan can be an excellent option. These plans offer tax-deferred growth and tax-free withdrawals for qualified education expenses. Plus, many states offer additional tax benefits for contributions to a 529 plan.

#3 A custodial account is another way to invest money for your children's future. These accounts are held in the child's name, but the parent or guardian manages the account until the child reaches the age of majority. Custodial accounts offer flexibility and can be used for a variety of purposes, including education, buying a car, or even starting a business. Roth IRAs for children who earn money (or may be hired by your company and on your payroll) are another great option for teaching them how to invest and building long-term wealth.

#4 While life insurance is often thought of as a way to provide for your family in the event of your death, it can also be used to fund your children's future. A whole life insurance policy can accumulate cash value over time, which can be used for a variety of purposes, including higher education or starting a business.

Of course, these are just a few of the many strategies available to high net worth entrepreneurs for planning their younger children's financial future. Your family will benefit from working with a fiduciary wealth team who is experienced in family education and multi-generational planning. Our clients find it helpful to hear us share what other families choose to do in similar situations to theirs.

As always, my [PACIFIC CAPITAL](#) team is here to support you in any way we can. And if you're an existing client or a qualified potential client, don't hesitate to reach out if you have any questions for us, please [click here](#).

Want to learn more about how to talk about money with your kids? [Click here to find my book "Smart, Not Spoiled"](#).

Writing this best-selling book led to me getting involved with co-founding [GRAVYSTACK](#), the fun bank for kids and teens, coming to the public very soon.

P.S. You may also listen to one of the 80+ podcast interviews I've done on this topic of kids and money by [clicking here](#).

Sincerely,


WEALTH ADVISOR FOR ENTREPRENEURS

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