

EPISODE 1550

[INTRODUCTION]

"KK: While maybe there are better economic systems that really support – you know, we can look at some of the European countries that have a lot more equality and are far more socially – the whole invests in the social good of the whole, right? And you can look at that and go like, "Wow. That's really incredible." We have the system that we have. And so, my thinking has always been how do you operate within this system? Instead, I can't imagine the day that we might have a different system. Maybe that will happen. I don't know if it will be in my lifetime. How do you operate within the system that we have? And I think that when I look at it through that lens, then I can get a little deeper and say, "Well, to we have to change our relationship to money and we have to change our narratives around it being good or evil. Something to seek or something that those who have it must have done something or they in some way are not worthy."

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FT: Welcome to So Money, everybody. I'm Farnoosh Torabi. Today we are exploring life as a wealthy person. Somebody who has resources. Someone who grew up with resources and where that has landed them today? Generally speaking, what are the pros and cons? And what does their narrative spell about our overall relationship to money? Our ideas about what it means to be rich versus poor.

Our guest today is Kristen Keffeler. She is a thought leader and consultant at the forefront of a global shift in family wealth advising known as Wealth 3.0. She is the author of a new best-selling book called *The Myth of the Silver Spoon: Navigating Family Wealth and Creating an Impactful Life*. The book draws upon her research and years of private practice advising and coaching. The rising generation in affluent and enterprising families.

And you may not think that you are affluent or in an enterprising family. But you might be. Or you are in a relationship with someone who is. This transference of wealth that we are experiencing right now from the Boomers to the Gen X and Gen Y'ers is the largest we've seen

in history. Many of us will be inheriting wealth. Many of us will come close to wealth in our lifetime. And so, this episode might be helpful.

We talk about what is the cultural psychology around wealth. Why are we so conflicted? And money clutter. The distracting money messages we may all be harboring that deserve attention.

By the way, my son recently asked me, "Mommy, are we rich?" Talk about that. And what I told him. Here's Kristen Keffeler.

[INTERVIEW]

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FT: Kristen Keffeler, welcome to So Money. It's great to have you.

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KK: Thanks for having me, Farnoosh. I'm super excited to be here and in this conversation.

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FT: Yes. Let's talk about *The Myth of the Silver Spoon*, your book, which explores – well, I'll read the subtitle. *Navigating Family Wealth and Creating an Impactful Life*. We're going to talk about rich kids on the show today. And if you're listening, audience member, if you don't identify as a "rich kid", I think we're still going to learn so much through Kristen's insights about everybody's relationship with money. The psychological culture around money. The haves and the have-nots. We are very good at polarizing the world of wealth. And also, what does wealth even mean? It's so abstract. What does it mean about our identity?

Kristen, thank you so much for writing this book. And also, the work that led to this book. Tell us a little about who you are and what interested you initially in exploring wealth through the prism of children and adults who have grown with resources, above average resources and wealth?

[00:04:33]

KK: Yeah. Yeah. Absolutely. Well, I sort of mistakenly ended up in this field and that it wasn't something that I was seeking to – it wasn't like a graduated college and had my idea that like I wanted to be a human capital consultant in the space of wealthy families. There was no such landscape in my mind.

But really, the work kind of found me and that I've always had an interest in human thriving and human peak performance. My undergraduate is in human biology and chemistry. I wanted to go to medical school because I thought that was the way to support human thriving. And really, ultimately found like that wasn't the path.

I went and got a combined masters' in public health and business and ended up working in the corporate environment doing health behavior change, health and productivity management inside the corporate environment. I spent my 20s doing that. It was my professional path.

And then I had this personal narrative where, when I was in college, my dad who had always been an entrepreneur, building businesses inside businesses, decided that he wanted to go and create a business of his own. And so, he and my oldest brother, who was 25 at the time, went and built a business that was just the right idea at the right time. And they ended up taking that company public, right? Around the time I was graduating from college. Sold it a little bit later.

My family, my parents had a couple of wealth events between the public offering and the selling of the company that shifted the narrative of our family. And we started. It was right at this very tender age for self-identity. And I'm the youngest of four. I think me and each of my siblings kind of experienced this differently because of the ages we were and how our genders and how connected we were to my parents and what kind of what was going on for them.

I traveled with my parents. I did things with my parents that my older brothers who were dating and getting married didn't do. And so, I ended up in just an interesting personal exploration in my 20s trying to really understand what all of this was. Really trying to – I didn't have this conscious awareness that like, "Oh, I'm figuring out my identity in the context of a wealth creator," because I didn't have the context for that at all.

But I very much was trying to understand like kind of like these fun trips. We're going to New York City, and like going to shows, and going shopping, and fabulous dinners and getting picked up in a limo at the airport. These things that were like, "Wow. This is so cool."

And also, at the same time, I'm getting a master's degree in public health. My friends and colleagues are all people who seek to be public servants. Most of them were paying for their graduate degrees themselves after having paid for their undergraduate degrees.

And I just had this like dual experience of like wealth is good and fun. And wealth creates major gaps and divides in our society. And how do we reconcile the public health issues that I was grappling with and this increasingly ever-increasing wealth gap?

And so, my 20s, I was really trying to understand the landscape. Understand what's the language around trust in the states and all of that kind of stuff? And even more sort of tenderly for me was just trying to understand my own identity in this context. And like who was I separate from? From my parents? From my dad? How did I define success? He had created a really high financial bar. And I really grappled with like, "Is it good enough to just go be a public servant? Just on a salary?"

And so, those two things ultimately ended up coming together. My drive to understand human thriving and the kinds of structures and situations that support people to rise up and find their potential. And my own narrative around navigating this landscape. And ultimately, in my 30s I started – I left my W-2 job and started my own um coaching and consulting business working at that point just with the rising generation in families, affluent families.

The last little data points that I think are kind of interesting is that I did go on and get a master's in applied positive psychology from the University of Pennsylvania, which gave me this massive set tool kit for really sort of supercharging the idea of individual and collective human thriving. And overlaying that in the space of wealth has been super interesting to me because – and we can dive into this more. I think that it's really easy to discount people who have wealth and just say like, "Yeah, that's not me. And those problems don't seem real. And like why should I care?"

And what I've really been able to feel and to discern in the 20 years of doing this work is that really, at the heart of it, culturally, we have a very conflicted relationship with money. Wealth is just an abstract and sort of turbocharged version of that because it is just the aggregation of money, which is more of the human scale daily interaction of it.

And so, while some of this work can feel like it's easy to discount, I would say there's actually a whole lot more there for many more people than we think. Because it really is about our relationship with money – full envy. Sort of admiring envy that we have of the wealthy comes from that conflicted relationship.

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FT: Mm-hmm. Yeah, I definitely want to get into some of these complexities. Going back to your story, it sounds like a young woman who was raised in a wealthy family, you had something that we wish everybody had of all economic scales, which is that curiosity to figure out what does this all mean? What does this mean for me? How are other people affected by this?

I mean, it obviously led to your profession. But I think even at the core of who you are as a person, the curiosity is something we hope everybody can have and apply in their financial life.

Before we get to the complexities, I think that you talk about this disdain that we have for people that are like uber-wealthy or even just like have more than us. And I wonder if some of it also stems from – and I don't know if you have any thoughts on this. It's like our world, our capitalist world seems to reward more people who are wealthy and punishes those that – those of us who aren't resourced. And it's not because we're not better people or we're not trying hard enough. It just seems like we're set up to fail. And by we, I mean, those of us who feel as though will never get to sort of that rich place or that place of wealth.

And that, yes, wealthy people have problems. But also, their problems are more easily fixed. And so, there is this empathetic disconnect, which I think that our system, as in like our policies, the politics of the day, our economic system, it doesn't make it easier for us to get closer as a culture.

Before we get to the culture and the psychology of our culture, what do you think systemically feeds into this big problem of this bifurcation and this division of like haves and have-nots? And then the war really between the two of seeing sort of like, "Well, what do you have to complain about?" And the disdain. And the sort of I don't feel bad for you mentality.

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KK: Yeah. There's so much in there. I think you're right that – I mean, we have an economic system that incentivizes and celebrates the growth of capital, right? That's what capitalism is. It's like who has the right idea at the right time and is willing and able to leverage that idea?

I mean, the purely capitalistic system is designed for wealth creation. That's what it incentivizes. But the thing I think that we need to – that is helpful to remember is that capitalism doesn't operate without people. And people are humans. And it's like our human drives that bring either the goodness and the possibility to capitalism or the pure cutthroat, I'm going to get mine to it.

And so, there is a cultural thing. And I know we're not going there quite yet. But I think it's important to remember that – I'm sure that like an anthropologist or a sociologist would look at this and probably have some other really great data to bring to this conversation that I'm missing because that's not my expertise.

But I do think that while maybe there are better economic systems that really support – we can look at some of the European countries that have a lot more equality and are far more socially – the whole invests in the social good of the whole, right? And you can look at that and go like, "Wow. That's really incredible. "We have the system that we have.

And so, my thinking has always been how do you operate within this system instead of – I can't imagine the day that we might have a different system. Maybe that will happen I don't know. If it will be in my lifetime. How do you operate within the system that we have?

And I think that when I look at it through that lens, then I can get a little deeper and say, "Well, to we have to change our relationship to money." And we have to change our narratives around it

being good or evil. Something to seek or something that those who have it must have done something or they in some way are not worthy.

I feel, again, it goes back down to like what is our individual relationship with money and why we're seeking it? And how well-aligned can we become in thinking about it as a tool? Truly as currency, right? As an energy that moves. And so, the more that comes in, the more that can go out, which maybe seems very metaphysical.

But I think that there is like truth to this idea that we ascribe traits to money that it doesn't have, right? We use it as a proxy for love, and power and time. I mean, it's a –

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FT: Success. All of it. Yeah.

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KK: Yeah. But that's not actually what it is. It's just a tool.

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FT: I agree. I agree. That's all fair. I don't mean to sit here and have these existential – the world is already messed up. Kristen, what else can we do? I agree. We have to work within the systems that we have and try to make the best of things. And you're absolutely right. Money is just a thing. It's just this inanimate object. A tool.

And I remember, I always say this on the show. Well, not always. Maybe I feel like I say it always. Listeners, you might not be tired of it yet. But it's that money is just a tool. It's like a hammer. You can either use it to build a bird nest or to murder someone. And that's not me. That's a quote from a guest we had on the show. But I love it because it's so true.

And so, you write in the book, there's a whole – like at the heart of the book, there's this section about clutter, which is your metaphor for these messages, these distractions really that we fill

our heads with around what money represents. And talk a little bit about the clutter, the cohort that you're writing for and about. The sort of like those who have inherited wealth.

Which, by the way, if you think you don't have it – I mean, we are in the midst of the largest wealth transfer ever. This could be you. This could be your kids. This could be your grandkids. Hold on. This is important information for all of us to get. But Kristen, tell us a little about – unpack the clutter for us here as far as what it involves for your audience.

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KK: Yeah. There's basically four types of clutter. And you're right. This is a metaphor that I've used to capture this idea of like emotional and psychological stuff that gets sort of stuck in and around us. And if you pull back and you think, "Well, what is clutter?" Clutter in our lives, it's the stuff that's like not tended to. We don't know how to deal with it. Shove it in the drawer. We put it in the closet. Or it had some emotional baggage around it, right? It's the sweatshirt of the guy you used to date. And so, you don't want to quite get rid of it even though you got rid of him. And clutter is the stuff that we stick in the private places of our homes, right? We're not putting it on the front lawn or the foyer.

The psychological and emotional clutter shows up in the same way for each of us. And in this particular cohort that I write to, there's four main things that I see show up really consistently. And one is this idea of money clutter. And money clutter is really just limiting beliefs around money and wealth. And what it means about you to have it or not have it? And very often, a conflation of wealth with yourself. Self-worth equals net worth.

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FT: Net worth. Right.

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KK: Money clutter is a big one. I think money clutter is big for us culturally. This is not just in this particular demographic.

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FT: Not exclusive to the wealthy. No.

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KK: No. It's why people like you are doing great work with your podcast and your thought leadership. It's like it's opening up and letting a little air breathe to the money clutter piece.

There's three other kinds of clutter that I see show up pretty consistently within those who have grown up with wealth, have inherited wealth or in the future will inherit wealth. And that's identity clutter. Sort of this over-identifying or under-identifying with wealth. It's false beliefs about who they are and who they need to be.

Very often, this can be very crushing. And it seems like this is one of those things that seems like wealth would just be a blessing. But when you have a big name in a city where people recognize that name or they know that your family has wealth for whatever set of reasons and they project what that means, then there's not even room to struggle, right? To just have human struggles. To wonder who you are and to try to find your way. Identity clutter is a big one.

Relationship clutter is a very um significant one that's often not tended to, which is feeling – because money has the sort of we project so much onto it. Oftentimes, those who are raised in affluence have this – they don't know that they have had – if they have had authentic friendships and authentic relationships. They don't necessarily know exactly what that feels like. And they – I hear often that like, "Well, I started dating someone." Or, "I got to college. I sort of got out from underneath the prestige of my family because I went to this far place. And I'm in college now and I started dating this guy and I really like him. But I don't know when to tell him. Do I tell him – I don't want to tell him too soon. I don't want to tell them too late. But it's a core part of me. But it'll change what he thinks of me."

And so, a lot of that navigating of real and perceived power imbalances and like the revealing, like, "What will this person think of me as a result?" can be really confusing at a time when it's already confusing to try to be in friendships and be dating.

And the last one, and this one is I think a super interesting area, which is this idea of what I called contribution clutter. It could also be called work. But very often, I think work is very synonymous with earning. And those who are in this space that we're talking about don't necessarily have to earn in order to live to pay their expenses. And that seems like that'd be the biggest blessing of all time. And for many, it is very difficult. Because what they find is that taking away the financial need to work does not take away the human need to work.

As humans, we are wired for contribution. We are wired to know that we have – that when we bring our gifts out into the world, that we get seen and validated for those. And that's part of like our feeling. Like, we actually matter. And without the financial need to work, it can be hard to find the places where you can really plug in and feel like your contribution matters. And yet, it is essential to human thriving.

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FT: My goodness. As you're going through these clutters, I'm thinking about friends of mine or people in the public sphere that project all this or are living this. I have, for example, a friend who suffers from depression. Her parents are uber-wealthy. She never felt like she found her thing.

I think part of it is also she's afraid of never measuring up to her parents. They never put pressure on her, which I'm wondering now maybe that was a mistake to go out there and figure herself out. And so, it has resulted in, to your point, this relationship clutter where she's never really found herself in like meaningful, trustworthy relationships. She has a fear. Distrust of people. She's sad because she never – she feels too dependent on her parents. They gave her everything. And then some, they like bought her an apartment in her 20s probably because they thought it was a good real estate investment. But really, inadvertently, they're making her more and more dependent on them.

And then, of course, we see people like in the public and the famous who we wonder, with all the resources that they had. And yet, what is their contribution? What are they doing? And they go into a life of addiction and all that. And gosh, it's so – I mean, honestly, this is exclusive to people who have wealthy. But there seems to be a lot more of it or these patterns.

And so, the question for us here is – I'm a parent, you're a parent, you're listening, maybe there is someone in your life that you want to set up for success, financial success. You're saving for this person. You're investing for this person. How do we, in tandem to doing the financial work to set our kids up for success, also equip them with the emotional strength and the curiosity and all that, which is more important at the end of the day than anything?

My son asked me to at dinner the other night, he's nine, "Are we rich?" And I've been waiting for this question. And rather than say yes or no or maybe, I used it as an opportunity to go into other things about money that I want him to know. Kind of side-barred it.

I was like, "Okay, you're curious. Let me talk to you about how money works in our family. Your father and I work really hard. We have the things that we have because we're very careful about saving and investing. And then it got into like, "What's investing?"

And so, we got away from like the rich versus poor thing because that doesn't – that's not helpful. I wanted to focus more on like, "Oh, I have him. I have a curiosity here. A curious kid. Let me like feed him with some things that I think will be more important for him to process and unpack."

Anyway, just all this to say that we're all going through it in our own ways. And we all aspire to like set up our kids for success. But what's it for if they're arriving at wealth with this sadness and this insecurity? Tell us what we need to know as we're raising our kids into this world.

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KK: Yeah. Well, first of all, awesome pivot with your son.

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FT: Yeah, pivot. Right?

[00:25:44]

KK: Really beautiful. When I have those moments with my daughter, I always have this internal, like, "Ooh. Yeah. I did it. Just in the moment. I totally hit that ball."

[00:25:55]

FT: Yeah.

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KK: And this is something that I think is a really important thing for your listeners to hear because this isn't – what I'm about to share isn't just about the wealthy. It happens in this space, in the space of affluence as well. But ultimately, this is really for a lot of people who are kind of in the fat middle of that bell curve where you're like you're high earners and you're making things happen. You're making smart decisions. You're investing for the future. You're doing your best to make your life increasingly easier with money. But also, make your kids lives easier with how you can set them up.

And so, there's just one or two key points that I think are really important takeaways. And one is that all humans need to go through certain stages of development through their lifetime, right?

Eric Erikson is the primary psychologist who's done the research, the original research in this space. And so, he's a wonderful one to look at kind of those ages and stages and what are the appropriate developmental goals that you have to reach at each stage.

But like all humans, in order to find a life of autonomy, agency, thriving, need to meet, greet and overcome certain developmental stages throughout life. And there's many of them that are sort of packed into the zero to 25 just because there's so much development that happens then.

One of the things that financial resource can do is create a buffer from meeting and greeting those developmental stages. Ultimately, as parents, if we're not very intentional in how we use the resource that we have, we can make our kids' lives too easy. In the attempt to try to set them up for success in the future, we can make their lives too easy. They don't have to learn how to problem solve. How to have difficult conversations. How to have delayed gratification. How to go out and work for something that they want and earn that. Do the work. Wait the time to get the thing, right? It's like all of those skills we can solve with money and Amazon Prime. And it's so easy just to like hop on and buy something and then it shows up.

And so, I think it's important to realize that, as parents, there is this inverted view curve that's from behavioral economics that really talks about this idea that as you – in this case, in this application of it, as you earn more money, parenting gets easier, right? But when you are in a safe neighborhood and you have food security and all – parenting gets easier but not forever, right? It's not just a linear upswing to the goodness of wealth. It's like there's a point. And it's not at that high of annual earnings where it starts to get more difficult. Because instead of parenting based on circumstances, "Honey, I'm sorry you can't join that competitive baseball league. We don't have the money. But if you want to do that and you can mow lawns to earn fees to join, I would support you." Right? That's parenting based on circumstances.

The vast majority of us are not there in our modern-day earning potential. The vast majority of us need to think about how do I parent based on my values so that, ultimately, I'm building skills like grit, and mastery, and a growth mindset and the ability and willingness to tolerate discomfort in pursuit of a goal.

Those are some of the key things I think all parents really need to be thinking about. If your kids have that and then you overlay financial support in a way that can really be like a trampoline for them, they can use it to amplify their own efforts, then you're set up for success.

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FT: Yeah. And to your point, I have seen it work. I have seen friends who were raised in opulence. But also, having been their friends and seeing how their parents parented them, there

were a lot of responsibilities that they had. Nothing was like an absolute always yes. They had to work.

I mean, for them it was – I remember. I'm thinking back. I'm reflecting on this one particular family. Academics was like extremely important. It was a lot of pressure. I felt almost bad for them sometimes because there was this feeling of like I have to meet to my parents expectations.

But I like to think that they're like well-adjusted, happy adults. I mean, they're pursuing their passions. They recognize their privilege, too. They were reminded of it a lot. And they traveled a lot so that they could remember their privilege. And saw the world. And went to like countries that – it wasn't always the Bahamas every Christmas, right? They went to like developing worlds.

And I love what you have to say about all of that. Work, delaying gratification, problem-solving, grit, mastery, growth mindset. Yes, these are things that we should all be conscious of at all economic levels. And I think you're right. When you're wealthy, you have to work a little bit harder and be more conscious about implementing this and enforcing this.

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KK: Right. I mean, you can certainly imagine at the lower end of the economic scale, life is going to teach a lot of those lessons. And they may be in a pretty painful way, right? There's not a lot of buffering there. And yet, there's a huge amount of opportunity to build lifetime success skills.

On the sort of higher end of economic earning, there's just an intentionality. Money is just – again, it's just a tool. But it can create such a buffer that then it becomes confusing why your kids are not like showing up to their lives. That's because they haven't been tested. They don't know how to.

[00:32:10]

FT: Right. And I say this with an understanding that it's not like I want to glamorize this. But there was a billionaire I interviewed once. And he said he grew up in poverty. And he said poverty was my richest lesson, was my richest teacher. Because, man, he knows what it's like to like live in your car and have a single mother who struggles to put food on the table.

And now as a billionaire, a majority of his wealth is to give back. I mean, he actually signed the pledge, which is that he's going to give away all his wealth before he passes on. And I don't think it's a coincidence that he is the person who he is today because of the adversity, the extreme adversities he had as a kid growing up. It's not what we hope is everyone's path. We don't want you to have to go through that to get to that understanding. But it is his story. And he's very appreciative of it.

And we appreciate you. Kristen Keffeler, thank you so much. Your book is important. Again, not just for the silver spoon kids, as you write, you write for in your book. Although we don't want to call them that. But you know who we're talking about. The rich kids. But I will be reading this book to the finish, *The Myth of the Silver Spoon: Navigating Family Wealth and Creating an Impactful Life*. A bestseller in its category. Congratulations.

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KK: Thank you. Thank you, Farnoosh. And thank you all of your listeners for taking time with this. I think it's such rich territory and so much work that we can collectively do to create ease and a very empowered aligned relationship with money. Thank you for all the work you're doing to help people do that.

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FT: Great conversation. Come back anytime.

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KK: Thank you.

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FT: Thanks so much to Kristen for joining us. Kristen Keffeler is the author of *The Myth of the Silver Spoon: Navigating Family Wealth and Creating an Impactful Life*. Available now.

Thanks for tuning in everybody. New questions are ahead on Friday. Your questions. Ask Farnoosh is in just a couple of days. I hope to see you there. Until then, I hope your day is so money.

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