



**MAKE**

A Solar Power Play;  
10 Best Executive Wellness  
Programs; Malcolm  
Gladwell's Tipping Point

**GROW**

Global Investing Hotspots;  
The Best Way to Cut Your  
Real Estate Taxes; Is Your  
Financial Advisor Honest?

**LIVE**

Defending Your Home; The  
Top 10 Luxury Innovations;  
How a Smartphone App  
Could Save Your Life

**CURATOR**

Holiday Gifts Built to Last:  
Bentley Skis, Chopard's  
Classic Watch, a Rare  
Scotch from The Balvenie

# Worth<sup>®</sup>

THE EVOLUTION OF FINANCIAL INTELLIGENCE



FORECAST  
/ > 2014

» 42 PREDICTIONS AND RESOLUTIONS FROM  
INSIDERS, EXPERTS AND ICONS »

WORTH.COM

# 27

VOLUME 22 | EDITION 06



## Axelowitz Kauffmann Group at UBS Private Wealth Management

Mark Axelowitz, CIMA®, Managing Director  
Todd Kauffmann, Senior Vice President

# “How can I be a good ‘financial parent?’”

By Mark Axelowitz and Todd Kauffmann

If compound interest is “the most powerful force in the universe,” as Albert Einstein described it, you will definitely want to teach your children to handle not only interest but all money matters responsibly. While theories abound about the how and when of “financial parenting,” here are guidelines we not only recommend but follow with our own children.

### REWARD HARD (I.E., COMPLETED) WORK

The most ubiquitous method of providing children spending money—the allowance—can teach multiple financial lessons to children. Regularly administering an allowance in exchange for doing “chores” makes a direct connection between work and reward. But children need a clear understanding of what is expected of them to receive their allowance. So consider creating a list of their responsibilities and keeping a clear record of their performance—something of which they can be proud. But if they fail to complete their assigned jobs, withhold the allowance or reduce the amount. You will be tempted to cave in, but remember that negative reinforcement duplicates what happens in real life.

If you feel, as some parents do, that children should not get “paid” for doing what is expected of them as a member of the household, you can still reward them for performing “above-and-beyond” tasks. Come up with an agreed upon sum for bigger projects, like doing hard yard work or keeping the cars clean and pay your child when the job is done—and done right.

### TEACH HOW TO SPEND...AND GIVE AND SAVE

The work-for-allowance equation can also include money management lessons. Again, financial parenting styles can differ. The spend-it-on-anything-you-want-but-once-it’s-gone-don’t-dare-ask-for-more approach certainly teaches limits—as long as you stick to the rule. Or, you may want to take a more granular approach when compensating your children that teaches broader lessons.

For example, allow them to do whatever they want with half of their allowance, but require that one quarter of it go into savings and one quarter to a good cause—one they choose. Also, let them know that if they put additional money into savings or giving, you will match their contribution. To make savings tangible, chart the

growing amount with a bank statement or homegrown file.

### TEACH REAL-WORLD LESSONS

Create scenarios that involve children in spending as it actually happens. For example, let them plan a family dinner then shop for the necessary items. They will learn instantly what a single meal for a family of four actually costs. Also invite your teenagers to a family financial planning meeting that you and your financial advisor tailor to the presence of your teen. Your kids will begin to understand that even high net worth families have limits to their finances.

Few financial lessons teach more than learning by one’s mistakes. As kids, let them blow through their allowance and experience being broke for a month. In their senior year of high school, as a preparation for college spending, open a checking account with a debit card, but *do not include overdraft protection*. Paying penalties is part of the learning process.

Finally, being a good financial parent also means being prudent in your own spending habits. Few things teach as well or as deeply as example. As the Chinese proverb says, “Not the cry, but the flight of the wild duck leads the flock to fly and follow.” ☺

*As a firm providing wealth management services to clients, UBS Financial Services, Inc. is registered with the U.S. Securities and Exchange Commission (SEC) as an investment adviser and a broker-dealer, offering both investment advisory and brokerage services. Advisory services and brokerage services are separate and distinct, differ in material ways and are governed by different laws and separate contracts. It is important that you carefully read the agreements and disclosures UBS provides to you about the products or services offered. For more information, please visit our website at [www.ubs.com/workingwithus](http://www.ubs.com/workingwithus).*

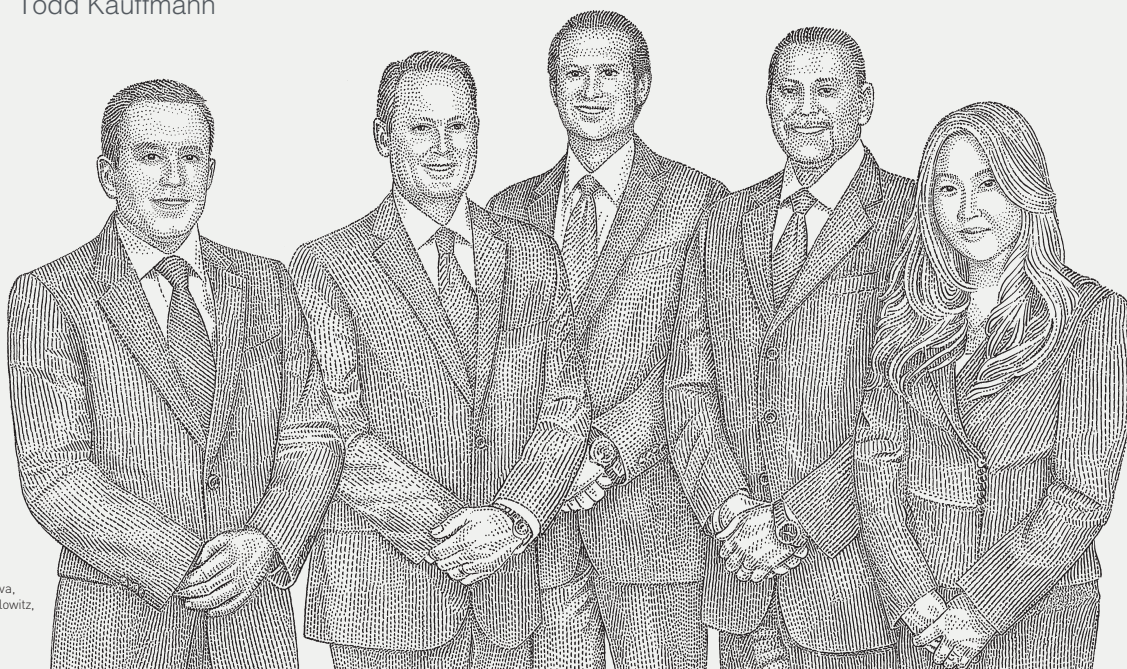
*UBS Financial Services Inc. and its employees do not provide tax or legal advice. Clients should consult with their legal or tax advisers regarding their particular circumstances.*

*“Remember that negative reinforcement duplicates what happens in real life.”*

—Mark Axelowitz and Todd Kauffmann

### How to reach **Mark Axelowitz and Todd Kauffmann**

*With deep insight and a commitment to your wealth preservation needs first and foremost, we nurture successful, trusted relationships you can count on today and well into the future. Please contact us today at 212.821.7260 to learn more.*



Left to right: Michael DaSilva, Todd Kauffmann, Mark Axelowitz, Joy Christian, Annie Byun

#### About Mark Axelowitz and Todd Kauffmann

Mark Axelowitz has provided investment advice to ultra high net worth individuals, family offices and foundations since 1987. He is a certified investment management analyst (CIMA®), a designation he earned through the Wharton School of Business, and he has completed advanced programs in wealth management through the NYU Stern School of Business and the Wharton School's Critical Elements of Consulting. He was selected as one of the Top Ten Outstanding Brokers of the Year by *Registered Rep* magazine and was one of *Barron's* Top Advisors of America. Mr. Axelowitz is an officer on the board of The Boys & Girls Harbor, has co-chaired the Harbor Investment Conference since 2006 and is a member of the Robin Hood Foundation. He has a BA from Hofstra University. Todd Kauffmann has advised clients since 1989 and has been in partnership with Mr. Axelowitz since 1994. He focuses on asset allocation techniques when constructing portfolios specifically tailored to each client. He also advises on lending solutions, fixed income, and foreign currency transactions. He completed the Investment Consultant Program at the Wharton Business School and is working toward his CIMA® certification.

Minimum Fee for Initial Meeting  
**None required**

Minimum Net Worth Requirement  
**\$10 million**

Financial Services Experience  
**Axelowitz, 26 years  
Kauffmann, 25 years**

Primary Custodian for Investor Assets  
**UBS Financial Services Inc.**

Professional Services Provided  
**Planning, investment advisory and money management services**

Website  
**<http://financialservicesinc.ubs.com/team/akg/>**

Email  
**[mark.axelowitz@ubs.com](mailto:mark.axelowitz@ubs.com)  
[todd.kauffmann@ubs.com](mailto:todd.kauffmann@ubs.com)**



Mark Axelowitz, CIMA®  
*Managing Director*

Todd Kauffmann  
*Senior Vice President*

---

**Axelowitz Kauffmann Group**  
**at UBS Private Wealth Management**  
299 Park Avenue, 25th Floor  
New York, NY 10171  
Tel. 212.821.7260

mark.axelowitz@ubs.com

todd.kauffmann@ubs.com

<http://financialservicesinc.ubs.com/team/akg/>

REPRINTED FROM  
**Worth**<sup>®</sup>  
THE EVOLUTION OF FINANCIAL INTELLIGENCE

Axelowitz Kauffmann Group at UBS Private Wealth Management is featured in *Worth*<sup>®</sup> 2014 Leading Wealth Advisors<sup>™</sup>, a special section in every edition of *Worth*<sup>®</sup> magazine. All persons and firms appearing in this section have completed questionnaires, have been vetted by an advisory group following submission by *Worth*<sup>®</sup>, and thereafter paid the standard fees to *Worth*<sup>®</sup> to be featured in this section. The information contained herein is for informational purposes, and although the list of advisors presented in this section is drawn from sources believed to be reliable and independently reviewed, the accuracy or completeness of this information is not guaranteed. No person or firm listed in this section should be construed as an endorsement by *Worth*<sup>®</sup>, and *Worth*<sup>®</sup> will not be responsible for the performance, acts or omissions of any such advisor. It should not be assumed that the past performance of any advisors featured in this special section will equal or be an indicator of future performance. *Worth*<sup>®</sup>, a Sandow Media publication, is a financial publisher and does not recommend or endorse investment, legal or tax advisors, investment strategies or particular investments. Those seeking specific investment advice should consider a qualified and licensed investment professional. *Worth*<sup>®</sup> is a registered trademark of Sandow Media LLC. See "About Us" for additional program details at <http://www.worth.com/index.php/about-worth>.