RAISING GENEROUS HUMANS

CONTENTS

EXECUTIVE SUMMARY

Parents often find themselves grappling with a profound question: How do we raise children who are not only financially responsible but also generous and compassionate? For high-net-worth families, this question carries additional weight. The desire to cultivate a sense of gratitude and social responsibility must be balanced with concerns about entitlement, motivation, and financial stewardship. Should children be shielded from their family's wealth to prevent complacency? Or is there a way to integrate financial transparency with values of giving and social good?

This report explores how generosity develops across generations, drawing from insights in behavioral economics, developmental psychology, and financial literacy. It presents a framework for understanding the forces that shape giving behavior, identifying personal, familial, and societal influences that encourage philanthropy.

At the heart of this research is the idea that generosity is not an innate trait—it is learned, nurtured, and reinforced over time. Personal characteristics such as patience, empathy, and financial literacy play a foundational role. However, these traits do not develop in isolation. Parents shape their children's generosity through direct teaching, modeling, and structured financial experiences, such as allowances that incorporate charitable giving. As children grow, peers and the broader community influence their philanthropic mindset, reinforcing or diminishing the values instilled at home.

**The aim of this review is to provide insights about inter-generational influence on giving for parents across a range of incomes. While some work has considered the role of socio-economic status (SES) on giving, the literature usually uses the mother's educational attainment as the marker for SES status (e.g. Deckers et al., 2015, Bauer et al., 2014). As such, the categorization in the literature tends to be between very low income and moderate income households. There is very limited work focusing specifically on high-net-worth individuals. Given this, our role in this review is to summarize this literature and provide insights into how it may relate to high-net-worth individuals when possible.*

The challenge for parents is not just teaching their children to give but also helping them understand why generosity matters. This requires a hands-on approach: engaging children in conversations about wealth, allowing them to make their own giving decisions, and surrounding them with peers and mentors who model charitable behavior.

This report provides actionable strategies for fostering generosity at every stage of development—from early childhood through adulthood. By understanding the evolving influences on charitable behavior, parents can ensure that generosity is not just an expectation but a lasting family legacy.

SUMMARY OF ACTIONABLE STRATEGIES

1. Model generosity.
Live out giving through volunteering and charitable donations.

2. Talk openly about money.
Discuss wealth, needs, and giving early and often.

3. Build financial habits with allowance.
Use “save-spend-give” models to teach financial principles and generosity.

4. Let kids choose where to give.
Empower children to direct their donations.

5. Create a generous community.
Surround children with peers and role models who give.

6. Praise generosity.
Reinforce giving with encouragement and rewards.

7. Practice giving regularly.
Offer frequent, hands-on opportunities to give.

8. Foster empathy through exposure.
Connect children with diverse people and causes.

9. Grow independence with age.
Hand over more control of money and giving decisions.

10. Stay connected into adulthood.
Keep offering advice and encouragement as they grow.

INTRODUCTION

In this review, we synthesize findings from the academic literature on intergenerational giving. We seek to understand the influence of parents on children's giving preferences and motives, with a focus on high-net-worth individuals. We offer a framework to model the development of giving behavior and provide recommendations for ways parents (especially mothers) can encourage giving by children.

The core of the literature summarized here originates in behavioral economics. Behavioral economics uses mathematical tools to study human decision making, with a focus on incorporating insights from psychology. Since the early 1990s, behavioral economists have been studying the motives for giving both theoretically and empirically (Andreoni 1990).

Parents struggle with how to teach generosity to children. They may worry that teaching their children they have wealth that can be shared will result in their becoming spoiled or unmotivated to work hard. This is a major concern for high-net-worth parents, who may believe that hiding their high-net-worth status from their children is the right approach*. However, another approach is to be transparent with children about family wealth and to be intentional about teaching them how to handle this money. Our framework suggests that the transparent approach is better and can result in more intergenerational influence on charitable behavior.

**This review aims to explore intergenerational influence on giving for parents across a range of incomes. While some work has linked socioeconomic status to giving, often using the mother's education as the marker (e.g., Bauer et al. 2014; Deckers et al. 2015),categorization typically focuses on low- to moderate-income households. There is very limited research on high-net-worth individuals. This review summarizes existing literature and discusses its relevance to high-net-worth individuals where possible.*

What Makes A Generous Human?

The framework in Figure 1 provides a picture of the factors that influence why individuals give to charity, which guides our understanding of what can be done from an early age to increase giving behavior. Giving behavior is nested within personal factors, family influences, and social influences. The communities in which individuals interact form a basis for developing beliefs about the social norms around charitable giving. We will discuss each of these factors and influences in turn.

This framework applies to the giving behavior of both children and adults, but the relative import of each influence changes with age. Figure 1 orders these influences based on how much each impacts a young child. Young children choose generosity mainly based on personal factors and partly based on family influences. As children grow older and are exposed to formal schooling, social influences like peers and teachers begin to take on a greater role. As children are exposed more to the community in which they live, they start forming beliefs about the social norms in their community and incorporating these norms into their giving behavior.

Compared to children, adults' personal factors for giving are relatively fixed, so a dynamic interaction between personal factors and increased giving through time is less likely. However, humans are a social species and adults' giving is driven both by personal factors as well as family, social, and community-of-giving influences.*

We refer to influences as mostly positive (i.e., observing generous behavior leads to more generous behavior). However, negative influences are possible. For example, being in a community that does not have a giving norm reduces the likelihood of individual giving, even when the individual is relatively generous.

Epigenetics guides our understanding of the development of generosity among children. Epigenetics posits that outcomes and behaviors are a product of an interaction between genes and the environment (Meaney 2010). Children are born with personal factors that shape their giving behavior. These personal factors are malleable through interactions with family, peers, and one's social group. When we observe people acting generously, we know that a part of the motivation to be generous is due to nature (genes) and part is due to nurture (environment). Personal factors related to giving include prosociality, patience, financial literacy, and agency.

PERSONAL FACTORS

Prosociality: Prosociality is the desire to give away resources to help someone else. Individuals who are more prosocial are also more charitable. Behavioral economists have measured prosociality using experiments in which participants make decisions about how much of a resource (stickers or candy for children, and money or gift cards for adolescents and adults) to share with another person. Those who give more than half are considered more prosocial; those who give half are considered egalitarian. Researchers vary parameters in these problem-solving situations to measure motives for prosociality, including varying the way resources are obtained, the amount that must be given up to give charitably to someone else, and the identity of the recipient. Research shows that children become more prosocial as they become older*.

Are high-income individuals more prosocial than low-income individuals? High-income donors can give more to charity either because they have more wealth or because they are more prosocial. It is challenging to separate these motivations, but based on what we know now, it is likely that there is no substantive difference in prosociality between income groups. However, prosociality is malleable. If high-net-worth individuals are more generous because they have the means to be more generous and they value generosity in their children, they can take actions to encourage their children's prosociality.

**James Andreoni (1989, 1990) identified two main motives for generosity. Pure altruism is when people gain value solely from others' happiness, while warm glow is when people gain happiness from the act of giving itself. Both motives are present among children as young as ages 3–5 (Samek and List 2013).*

Patience and Financial Literacy: Patience and financial literacy are important personal factors associated with generosity. Patience is the willingness to trade off smaller, earlier rewards for larger, later rewards. Patience* also includes the ability to follow through with plans. Individuals who are unwilling to delay rewards may prefer later (e.g., bequest) giving over earlier giving. Another aspect of patience,* called dynamic inconsistency in behavioral economics, is the idea that what people want for their future self is not aligned with what they do in the present (O'Donoghue and Rabin 1999; Laibson 2015). In the context of charitable giving, dynamic inconsistency predicts that individuals may plan to give to charity, but when the day arrives to give, they may not follow through.

Age and financial resources impact patience. Young children are more impatient and become more patient with age (Andreoni et al. 2019). Socioeconomic status is associated with patience. Children from lower-income households appear to be less patient, and resource constraints cause low-income adults to behave in ways that appear very impatient. Patience relates to giving directly and indirectly. More patient individuals tend to be more generous (Angerer et al. 2015). More patient individuals also go on to have higher income, which is associated with greater giving.

Most Americans have low financial literacy*, and women's financial knowledge is lower than men's. This is a problem because financial literacy is needed to give responsibly (Enete et al. 2021). Math ability is a closely related concept to financial literacy. Experiments show that at a young age, children with low math ability have a difficult time making egalitarian sharing decisions (Chernyak 2018).

**Carvalho et al. (2016) measured patience in low-income households by asking people to choose between smaller, sooner financial rewards for larger, later ones, both before payday and after payday. They found that individuals were less patient before payday, but this was driven entirely by access to money. When trade-off involved a smaller amount of work sooner with a larger amount of work later, payday did not have an effect.*

**Patience is also associated with other lifetime outcomes. For example, early childhood patience predicts better schooling (List et al. 2022), while patience in adolescence is strongly predictive of greater lifetime earnings and better health (Golsteyn et al. 2014). Golsteyn et al. (2014) further demonstrated that early-life patience drives this relationship.*

**Financial literacy is also related to money management patterns including borrowing, saving, and retirement (Mitchell and Lusardi 2015).*

To build financial literacy and responsible behavior in children, parents should give them an allowance and should have age-appropriate conversations about family finances, needs, and wants. Transparency is important, as concealing or being secretive* about money may impede children's financial understanding and psychological well-being (Serido et al. 2010).

Interview studies indicate that children ages 8–12 are aware when parents conceal financial information (Romo and Vangelisti 2014).

Parents can structure an allowance to encourage generosity in young children who do not have fully developed personal factors that would lead to spontaneous giving. Young children tend to be self-interested (List et al. 2022) and impulsive (Andreoni et al. 2019), so relying on them to display generous behavior spontaneously is not tenable. Instead, parents can offer an allowance that applies the one-third, one-third, one-third strategy*, which allows children to give one-third of their allowance to charity (with agency over which charity), save one-third for the future, and spend one-third. Giving children the opportunity to make financial decisions from a young age can also build patience and the ability to follow through with plans.

These methods for allocating allowance have a lasting impact on how individuals think about money. In an interview study, one young adult recalled using three envelopes to divide her allowance as a child—"spend," "save," and "give,"—and she still thought back to it to help her save (Serido et al. 2010).

Agency: Agency is the ability to choose freely. Research shows* that increasing agency over the recipient of the gift leads to increased willingness to give, particularly for women (Schulz et al. 2018). There are differences between income groups in the value placed on agency (i.e., high-net-worth individuals value agency more than lower-income individuals). The access to resources that wealthy individuals have means their donations have a higher impact (Andreoni et al. 2017). High-net-worth individuals give carefully to organizations they care most strongly about, a trend that is referred to as "impact giving."* Impact giving empowers donors and allows them to use agency in directing their charitable gifts. Allowing high-net-worth donors agency over their donations increases the propensity to give and amount donated among this group.*

Parents have an important role in developing this autonomy in their children.* They can support its growth by allowing their children to make decisions appropriate to their age, engaging with them about their day (Grolnick et al. 1991) and encouraging personal interests and projects (Betzler 2014)*. Incorporating agency into the allowance structure— for example, giving children control over what kind of organization their donation is going to— provides them with a good opportunity to develop this capability.

With regard to allowance, as children become older and are more able to manage money, they should have greater agency about how to allocate their allowance. For example, parents can move away from the one-third, one-third, one-third strategy and ask their adolescents to develop this allocation on their own.

**Daniel Heist and Ram Cnaan (2018) found that allowing participants to choose where they could donate a potential $10 bonus winning increased the likelihood of donating and slightly increased the amount allocated for donating.*

**In a survey of Australian philanthropists, a top-cited reason for donation was wanting to make an impact (Giving Australia 2016; Literature review summary report 2017).*

**The effect of agency on giving seems stronger among wealthier individuals. One interview-based study with high-net-worth individuals identified that the ability to make an impact motivates giving (Deriane 2019). Similarly, an experiment soliciting donations from Ivy League alumni showed that "rich and powerful" alumni were particularly responsive to having control over how the funds were used, with donations increasing by 100%–350%, while the impact on less wealthy alumni*

**Jolene van der Kaap-Deeder and colleagues had school-children ages 8–12 complete diaries on the support they received from parents, siblings, and teachers. The surveys also assessed well-being through questions about feeling competence and independence. The study found that high quality interactions, especially between mother and child were key to a child's well-being (van der Kaap-Deeder et al. 2016).*

**There are diminishing returns to parental investment such that the first hour of time has a higher impact than later hours of time spent on this sort of teaching (Kaplan 1996).*

EXTERNAL INFLUENCES

Family, social, and community-of-giving factors influence children in two ways. The first of these is **direct:** Upon observing a family member or friend take a generous action, a child may be more compelled to display generosity as well. The second of these is **indirect:** Repeatedly observing generous behavior from friends, family, and the community of giving and mimicking this behavior affects children's personal factors since habits are formed as they grow up. When we talk about the **intergenerational** influence on giving behavior, both direct and indirect channels are at play.*

**Evidence from research on the propensity to give by both parents and their children and habit formation shows that (1) older children are more similar to their parents in giving behavior than younger children (Ben-Ner et al. 2015; Brown and van der Pol 2015; Samek et al. 2021) and (2) repeated actions increase the likelihood of continuing giving (Taylor-Collins et al. 2018).*

Environmental influences have larger effects earlier in life versus later in life. According to the work of Nobel laureate Heckman, "skills beget skills," meaning that changes to personal factors early in life affect behavior, which in turn further changes personal factors (Cunha and Heckman 2007). The earlier these changes occur, the larger the effects. Heckman's hypothesis is backed by research from neuroscience, which shows that brain plasticity (and hence malleability) is greater at younger ages (Center on the Developing Child 2007).

Family Influence: Intergenerational correlation in preferences, including social preferences (i.e., giving behavior), is well documented in the literature. We are interested in the avenues by which parents can maximize the likelihood and extent to which their preferences are adopted. Parents can influence children with modeling, reinforcement, and guided practice.

- **Modeling**: Intergenerational influence on preferences and behaviors occurs through socialization with parents, whereby parents model behaviors and children imitate them (Bisin and Verdier 2001). Thus, parents not only need to teach but also to model generous behavior. Parents and immediate family members are the most obvious models, especially when the child is young and is not yet engaged in communities outside the home (e.g., school). Social learning theory* from developmental psychology posits that the behavior children observe is a strong predictor of the child's future behavior.

**In a landmark study, Albert Bandura, Dorothea Ross, and Sheila Ross had preschool children observe adults playing with a "Bobo doll" either nicely or meanly. When the children played with the doll, they imitated the style of play the adult had modeled (Bandura et al. 1961).*

- **Reinforcement:** Reinforcement occurs when an individual receives a reward (a tangible reward, such as a prize, or a social reward, such as a smile or a show of approval), which makes that individual want to perform the behavior that elicited the reward more in the future. Children's giving is reinforced when they observe the giving behavior of others, as well as when others praise them for this behavior. Children are motivated to reinforce their behavior by social and monetary rewards; monetary rewards seem to be more effective than social rewards.* Thus, parents can encourage giving by providing rewards for spontaneous giving behavior.

- **Guided Practice:** Guided practice refers to explicitly giving children structured opportunities to donate. This might include structuring an allowance to allow the child to practice money management and giving. In survey studies, respondents cite parents' financial teachings (i.e., socialization) as the most important factor in their financial literacy as adults (Shim et al. 2009).

Social Influence: As children grow up, peers and the social context begin to have more influence on their behavior relative to parental influence. Peer effects gain relative importance in adolescence*, which makes it particularly important for parents to ensure their children interact with prosocial peers. Additionally, positive friendships that improve an adolescent's self-esteem can indirectly increase prosocial behavior.* The relationship between self-esteem and prosocial behavior seems to be circular, as prosocial behavior also promotes self-esteem. While parents should avoid controlling their children's friendships, they should expose adolescents to peer models who will have a positive influence.

**In one study (Kohls et al., 2009) testing the effects of these reinforcers, children ages 8–12 played a "go/no-go" game in which they followed rules to press a button for the appropriate picture. The children received different rewards after each correct response: money, a smiling face, or no feedback. The children who received rewards rated their motivation higher and performed better, and monetary rewards were more effective than social rewards.*

**Azzurra Ruggeri and colleagues (2017) found that while the sharing decisions of children were more affected by an adult's suggestion than by a peer's, adolescents' sharing decisions were more affected by peer suggestions.*

**One study (Fu et al., 2017) found that adolescent self-esteem was related to prosocial behavior toward strangers.*

Adults are also influenced by their social network; people in social networks with someone who gives generously to charity are more likely to be charitable themselves. Having a social network member who asks them to donate makes individuals more likely to give (Herzog and Yang 2017). Castillo and colleagues (2014) suggest that people give to charity for two reasons: (1) they have been asked and (2) they have been asked by someone they care about. This is one explanation for why peer-to-peer fundraising has risen in popularity. There is an important role in this space for high-net-worth individuals. Research shows that low-status followers are likely to mimic donations by identified high-status leaders (with a larger effect for women leaders than for men). This influence itself encourages high-status leaders to give (Reinstein and Riener 2012).

Community of Giving: Social norms are the broader norms about what is appropriate within a social circle, culture, or society to which individuals tend to adhere. Even young children are aware of these norms and enforce them on others.* The community that children and their families are part of affects the norms they internalize about the need to be generous. Community-of-giving and social norms are the "background" beliefs that individuals have about appropriate behavior and appropriate levels of generosity. A community's moral values about appropriate behavior are passed down to its members. Experiments show that both children and adults are predictably responsive to what they believe are morally appropriate actions (Cox et al. 2016). For example, among adults and even very young children, there is a concept of "fairness" across cultures that involves splitting resources equally, and a large number of participants in experiments do split resources equally for this reason (Samek et al. 2020).

In one study, three-year-olds played a game with a puppet. When the puppet made a mistake, the children protested, suggesting that even very young children have a grasp of what constitutes correct actions (Rakoczy et al. 2008).

The community of giving insulates a child in a prosocial environment and provides many good role models (not just parents) and peers. Taking lessons from peer effects and social norms together implies that parents should surround themselves and their child with generous role models and peers. Parents can also share their own strategies for teaching their children with friends, which will encourage their community to adopt similar strategies.

Giving Context: Adults are reactive to the context of a giving opportunity. Here the context includes both (1) the wealth or disposable income available to the individual to give to charity and (2) the types of solicitations that charities advertise. Research shows that wealth is related to giving behavior.

Adults are responsive to the types of solicitations that charities advertise. For example, adults respond to and give more when matching gifts or challenge gifts are offered (Karlan and List 2007). Adults are also more likely to give when they will be recognized publicly (Denis et al. 2020). Young children, too, seem to value giving publicly* (Heyman et al. 2014, 2016*). However, it seems that there are competing forces in preferences for publicity. On the one hand, a giver might appreciate recognition; on the other hand, the giver may be concerned that others will perceive their motives as impure.

**Children shared a more generous number of stickers when their gift was put in a transparent versus opaque bag (Leimgruber et al. 2012), and viewed people who gave publicly as "nicer" because they "want to show [their] friends [they are] a good person," as one young child explained (Heyman et al. 2014).*

**Defaults and suggested gift amounts are other factors of the giving context. A default is a preset choice that is made unless the donor opts out. Suggested gift amounts provide a series of pre-selected potential gift amounts. (Van Gestel et al. 2021). Defaults and suggested amounts generally encourage donors to give at the suggested levels.*

TEACHING GENEROUSITY

Figure 2 summarizes how to teach generosity to children. The figure illustrates the critical role of personal factors, family influence, and the community of giving in shaping children. Parents can reinforce all of these areas. With respect to personal factors, through giving an allowance and modeling responsible money management, parents can teach children financial literacy, reinforce giving, and provide opportunities to give. With respect to family influence, parents can model charitable behavior and talk to their children about generosity. With respect to the community of giving, parents can surround children with generous peers and role models, highlighting generous social norms and reinforcing giving.

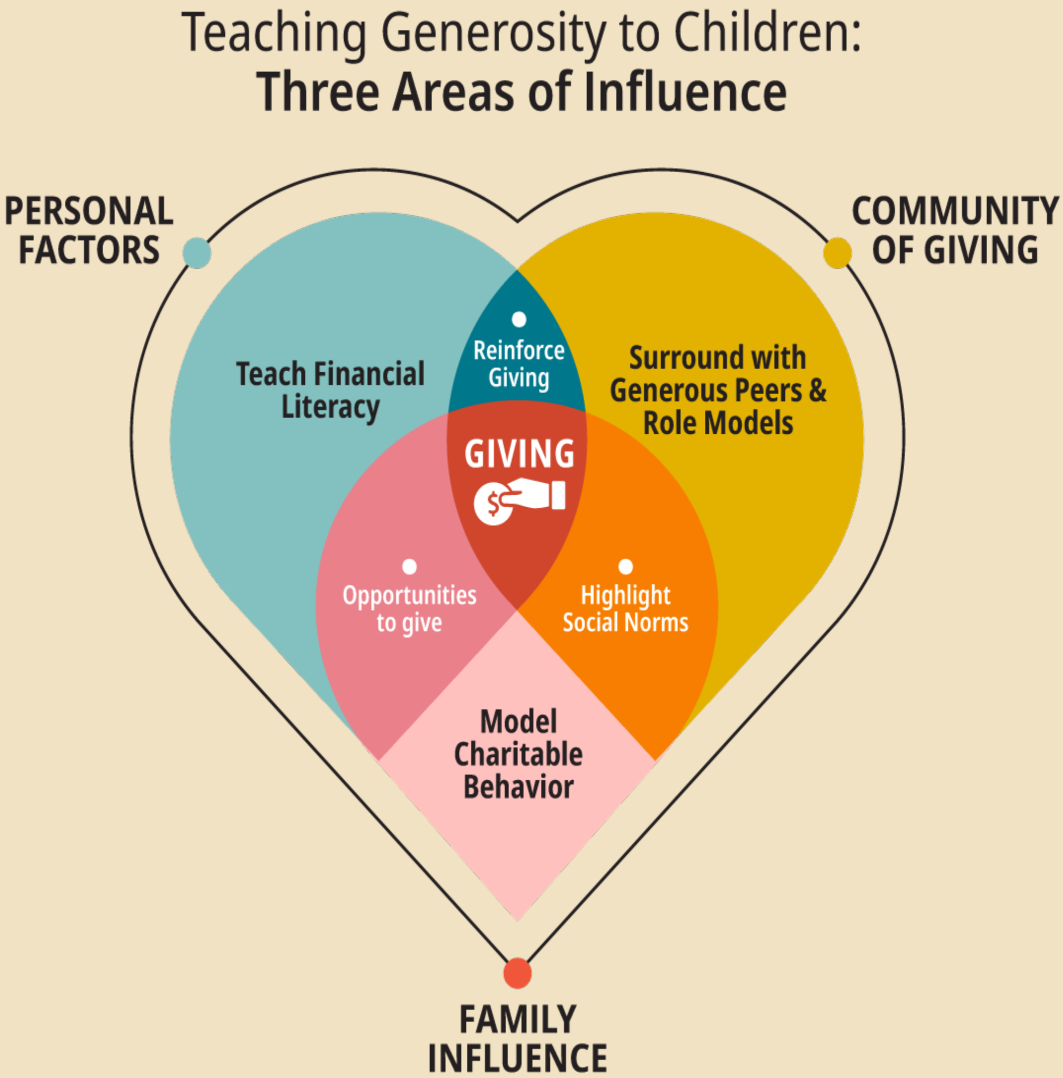

Table 1 (below) provides specific recommendations for teachings by age. In infancy and early childhood (ages 0–5), developmental recommendations are to focus on building a secure attachment and allowing children to develop a sense of autonomy through leadership with boundaries. Leadership with boundaries is an approach that enables children to explore while adults provide support and structure (i.e., boundaries) (Kuppens and Ceulemans 2018). Research shows that a strong positive relationship between a parent (especially the mother) and their child is associated with a greater transference of moral values—i.e., children with a positive relationship with their mothers are more likely to adopt their mothers' values and preferences.*

In a survey study of 223 British mother-teenager pairs, positive parent-child relationships were correlated with similar religious commitments and moral attitudes (Taris and Semin 2006). Building a positive relationship is also associated with improved child well-being (Kolb et al. 2013).

In middle childhood (ages 6–10), children begin to socialize with peers and continue to develop personal factors such as patience and empathy. Parents can enhance this development by continuing to model and reinforce these behaviors. By age 6, children have a more accurate concept of time, which allows them to practice patience.* Parents can help their children practice patience and self-control by establishing and enforcing rules. While children are socializing positive behaviors at school, parents can point out and praise sharing or other prosocial behaviors. Graf et al. (2023) suggest that incentives work when they are aligned with existing norms. Therefore, parents should praise behaviors and also practice them. Parents should explain why they volunteer or donate to certain organizations. High-net-worth children may not have exposure to low-income peers or peers who are in need. Exposing children to others who are different from them can also serve to build empathy (as in Rao 2019, with university students).

Research (Sudderndorf and Busby, 2005) suggests that by age five, children are capable of "mental time travel." In this study, children aged 3–5 were asked to choose a toy after being taken into a room with a puzzle board. Five-year-olds were more likely to select puzzle pieces, indicating that they remembered their experience in the first room.

Children begin to build agency at a higher pace in middle childhood, since this is also the age when they separate further from their parents and start attending formal schooling. Children can develop agency by being given opportunities to pursue personal projects and interests (Betzler 2014). Parents should observe what captures their children's interest and engage with them about it. To turn this engagement into a prosocial opportunity, parents can steer children toward volunteering at or donating to organizations that are aligned with these interests. For example, a child who is interested in cooking or baking can volunteer to cook for a halfway house or donate part of their allowance to a food bank.

Table 1: Development Age and Age-Specific Guidelines

Stage	Development Focus	Specific Recommendations
Early Childhood: 0-5 years old	**Secure attachment (authoritative parenting/"leadership with boundaries"), modelling and exposure**	• Leadership with boundaries • Model generosity of money and time (i.e., volunteer together)
Middle childhood: 6-10 years old	**Personal factors and socialization with peers / community of giving**	• Build empathy by exposing children to diverse peers and organizations • Engage children in discussions of family finances • Introduce allowance to teach patience and financial literacy • Scaffold allowance with "save-spend-give" using physical props and constant amounts • Build a "community of giving" by encouraging other families to use similar approaches to giving
Early adolescence: 11-14 years old	**Encourage positive friendships and build habits**	• Increase and formalize allowance with a bank account • Allow more agency in "save-spend-give" through reasoned discussions • Continue to expose adolescents to prosocial peers
Late adolescence: 15-18 years old	**Build friendships and establish financial literacy**	• Allow more agency through management of money • More independence in selecting friends – less parental influence and less malleability
Early adulthood: 19+ years old	**Independence, but continued engagement with family**	• Independence established • Continue communication to provide advice/guidance • Provide access to resources (e.g., financial advisors) for further guidance

In early adolescence (ages 11–14), while family influence is still strong, peers begin to play a larger role in shaping a child's personality and behavior. Adolescence is considered a sensitive period for social development (Blakemore and Mills 2014), which also makes it an opportune time to impact personal factors that are associated with greater generosity. Empathy is well established by this age and adolescents are responsive to feedback. In one study, experimenters tested the generosity of adolescents (ages 12–17) after they were exposed to disappointed, angry, or happy written reactions to a sharing decision they made a week prior. Participants made more generous subsequent offers when exposed to a disappointed reaction compared to happy or angry responses (Klapwijk et al. 2013). It is important at this age to react appropriately to behaviors by encouraging generosity and discouraging unfair behaviors. Reactions should be congruent with the modeled behavior.

Children acquire the ability to formally manage their money between nine and twelve years old. In an experiment conducted by Otto et al. (2006), children played a game in which they saved up tokens for a toy. Twelve-year-old children made use of a token bank to avoid spending their tokens too early, demonstrating that a child's bank account is appropriate at this age.

Parents should also help their adolescents make donations to organizations they care about. This will make them more interested in giving, help develop agency, and build habits of prosocial behavior. At this age, adolescents should also be given some agency about how much of their money they want to save or give, determining this through conversations with parents. For example, if adolescents are looking to spend their funds on something expensive, they may need to choose to allocate more to "save." Likewise, if adolescents are committed to a cause that is offering a time-limited matching gift or has communicated a particular shortfall or need, adolescents may choose to allocate more to "give." Such opportunities to start choosing how to allocate allowance build agency in an age-appropriate way. In an analysis of alumni giving at a U.S. university, an alumnus who donated frequently (at least once) in each of the first five years after graduation gave over five times as much twenty years after graduation than an alumnus who did not give in the first five years (Meer 2013). The model of "skills beget skills" suggests that building habits early may be even more effective for later life giving.

Peer effects gain relative importance in adolescence. Azzurra Ruggeri and colleagues (2017) found that while children's sharing decisions were more affected by an adult's suggestion than by a peer's, adolescents' sharing decisions were more affected by peer suggestions. This makes it particularly important to ensure that children interact with prosocial peers. While parents should avoid controlling their children's friendships, they should expose adolescents to peer models who will have a positive influence in an additive way—i.e., instead of completely cutting out "bad influences," expose children to more "good influences."

The goal of late adolescence (ages 15–18) is to continue to build prosocial habits and to have positive peer influences. Allowing adolescents to manage their own money and perhaps earn additional money improves financial literacy and encourages independence and agency. Research shows that adolescents who are in the habit of social action are more likely to continue to engage in social action. In one survey study, UK adolescents ages 16–20 were asked to indicate how frequently they volunteered, fundraised, or helped with a campaign (note that donation behavior was excluded). In all categories of social action, a higher frequency of participation in a prosocial activity was associated with a higher likelihood of intention to engage in that activity in the future (Taylor-Collins et al. 2019).

Peers also continue to play a major role in adolescence. In a survey of 200 high school students, a friend's prosocial behavior was correlated with an individual's interest in pursuing prosocial goals. Prosocial behavior here included sharing knowledge with classmates and trying to cheer someone up when they were down. Furthermore, the quality of the friendship and the frequency of interaction with the friend moderated this relationship (Barry & Wentzel 2006). Thus, continuing to foster positive friendships can have a direct influence on prosocial behavior.

Parents continue to play a role in financial socialization as their children transition to adulthood (ages 19+). While interview studies indicate that experiences at a young age have the strongest influence on young adults' conceptions of finances, young adults still ask their parents for advice. In an interview study of 25 middle-income adults conducted by Lynne Robertson-Rose (2020), about 15% sought financial advice from their parents and parents did not generally offer their adult children advice spontaneously. Interviewees all acknowledged the role parents played in shaping their financial values and mentioned things like seeking approval from their parents.

Parents continue to have influence on their children in adulthood. In a survey of 2,098 college students, parents' teachings (e.g., modeling, explaining family finances, explaining how a credit card works) prior to their leaving for college played a larger role in financial behaviors and attitudes than work and high-school financial education combined (Shim et al. 2010). Young adults have a larger capacity to understand more complex financial information (e.g., how a credit card works) than children, which likely explains the continued influence of parental teachings at this age.

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Anya Samek is an Associate Professor of Economics and Strategy at the Rady School of Management at the University of California, San Diego. She is also a Faculty Research Fellow at the National Bureau of Economic Research (NBER). She earned her Ph.D. in Economics from Purdue University and completed her postdoctoral training at the University of Chicago. In 2020, she was awarded the Vernon L. Smith Ascending Scholar Prize in recognition of her innovative research.

Anya's work uses experimental methods to explore how economic theory can better predict human behavior in the areas of education, philanthropy, and health. She is a co-founder of the Science of Philanthropy Initiative, a $5 million project that connects researchers and nonprofit organizations to test and improve approaches to charitable giving. For the past decade, she has led CHECC, a large-scale education study tracking 2,000 families randomly assigned to various early childhood programs.

With over 60 peer-reviewed publications, Anya's research has garnered attention beyond academia, featured in outlets such as The New York Times, The Wall Street Journal, FiveThirtyEight, Today.com, NPR, and the Freakonomics podcast. You can explore more of her work here.

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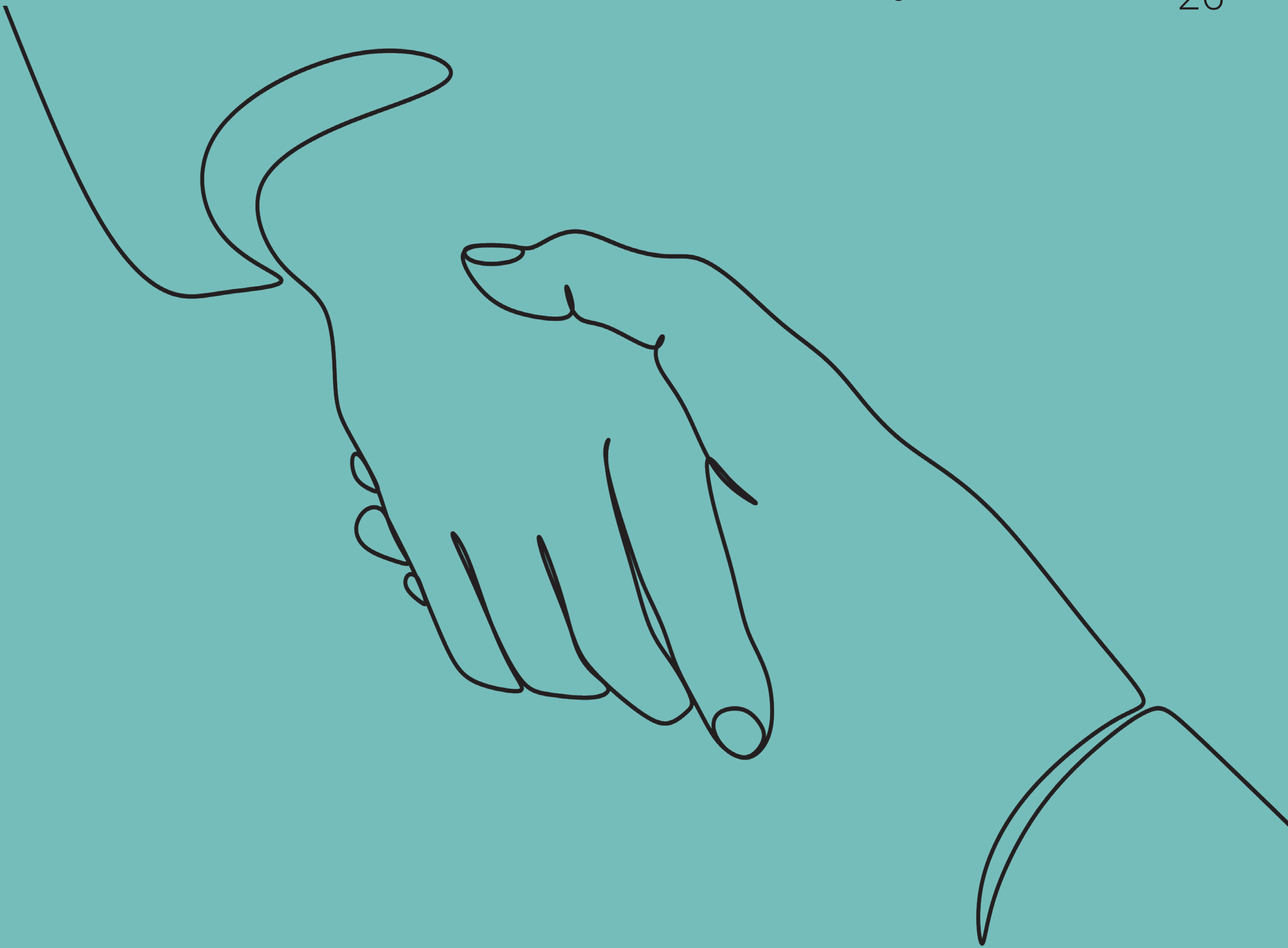

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