



By **Cam Marston**

## Forewarned Is Forearmed

When 'drone parents' interact with their children, they strike with shock and awe



*Yesterday's helicopter parents have raised 'drone parents,' who are further away but still watching.  
(Illustration: Jing Jing Tsong/TheisSpot.com)*

When I coach financial advisors about the differences in the generations, there is often a bit of disbelief as it relates to our own generation. No one wants to be part of a generalization and yet we make them all the time. It helps to look under the hood at what causes generational bias, and the most telling factors are historical events and parenting trends.

As a child, there's nothing you can do about either of them, but there is an undeniable impact on a generation in terms of ideas, perspectives and behaviors. Parenting trends are especially telling.

Consider the "mature generation," born prior to 1946.

They are the children of the wartime era and their experiences are imprinted with scarcity. Their parents, likely born during the Great Depression, would not allow waste or indulgence and, as a result, their formative years were an exercise in frugality. Today, many well-off matures are still influenced by scarcity. As a financial advisor, you may question the logic of a couple who has \$25 million in assets and regularly bargain hunts at Goodwill, but it is unnatural for that mature to feel secure that he or she has enough. This is a manifestation of generational bias that is important to recognize.

How do parenting trends create generational bias today?

No doubt you've heard of the helicopter parent – the ones who hover over their children, protecting them from harm, insult and just about any form of adversity. Helicopter parenting is largely a baby boomer phenomena and in many cases is the reaction to the scarcity-based philosophy of their own parents, the matures. Helicopter parents caused colleges to develop orientation weekends for parents in addition to incoming freshmen. They have overseen every aspect of their children's lives and are likely to be involved in, or at the very least influencing, their adult children, including their financial planning.

Helicopter parents are evolving into "drone parents." This new era of parents, mostly Gen Xers, fly far above their children keeping a watchful eye with less direct interaction. When they do interact, they strike with shock and awe. Drone parents are dangerous because they trick themselves into thinking they are not meddlesome – a direct reaction to the helicopter parents they disdain – but they can cause massive destruction.

A small group of parents at my children's school recently conducted a drone attack against the teaching staff – no preface, no warning, just an incendiary email that caused a lot of collateral damage. While most drone parents are still parenting younger children, advisors should keep an eye out for clients – or parents of clients – who straddle the line of being relaxed and having strong opinions of what “should be.” They may explode without warning.

Another parenting trend to pay attention to is the “trailing boomer” – born 1956 to 1964. No other group financially supports their adult children like the trailing boomers. It can be as simple as paying the child's cell phone bill because “it is just easier to continue the plan” or “that way I know he will continue to call me.” What trailing boomers don't see is that they can't seem to stop supporting their children – even when the children no longer need it.

There is an unintended consequence to this long-term support. If the child hasn't asked for this help, it can undermine his or her ability to be financially responsible and forward thinking.

After all, if your parents will always back you up, are you ever truly making a decision between risk and reward? If given the opportunity, counsel your clients – parents and children – away from this behavior.

Finally, take a look in the mirror. You see, I'm a parent of four, and the decisions I'm making today are surely going to influence how they turn out, as people and as investors. The question is how? You can speculate, using one of my more analysis-inviting parenting behaviors. Unlike helicopter parents, I'm fully aware that my children are frequently wrong. Therefore, I pause on the church steps each Sunday morning and preemptively ground them for the way they are about to behave. They act shocked and offended since they haven't yet done anything. I remind them of their predictability, and my wife stands behind them and rolls her eyes at me. It's a one-act play and we've got the whole script down. I'm certain this assumption of guilt is telling in some way, I'm just not sure what it says. However, forewarned is forearmed, and these kids will be knocking on your door in 10 to 15 years.