BOSWELL PLLC
ESTATE PLANNING • PROBATE

TRANSPARENCY: COMMON FEARS AND SOLUTIONS

COMMON FEAR	UNDERLYING CONCERN	SOLUTIONS & STRATEGIES
"They will become entitled"	*Disclosing wealth will disincentivize hard work and the drive to succeed.*	Of course parents want their children to be motivated, and disclosing wealth can seem like a hindrance to this goal. However, entitlement can be combated without sacrificing transparency by using values-based communication. Rather than simply disclosing the amount a child stands to inherit, frame wealth as a tool that requires responsible stewardship. It is beneficial to introduce these conversations gradually by age or maturity.
"They will judge my choices"	*Fear that conflicts will arise over charitable giving, unequal distribution, remarriage, and testator's expenditure of money during his or her lifetime.*	If the fear is judgment and contention surrounding distributions, ignoring them will not resolve those issues. It is much more productive to outline your thought process and reasoning for distributions while inheritors can still ask you questions. If your circumstances render it uniquely difficult for this kind of transparency, draft a legacy letter or statement of intent explaining your reasoning. The goal in both of these circumstances is to prevent future conflicts between inheritors, which both deplete the estate value and cause family division. If the fear is judgment for spending choices, this relates to beneficiaries feeling entitled. If the trust comes into effect upon death or other event, it should be emphasized that the money does not belong to the inheritor, thus he or she cannot dictate how it is spent.
"They have age and/or maturity disparity"	*While some children may be equipped to appreciate the responsibility of their inheritance, others, by age or lifestyle choices, are not. If parents want to share the same information with all children, but deem some too immature, they may opt not to share any information to maintain equality.*	One of the best solutions to this fear is to set expectations. Tell inheritors early in their lives when they can expect certain things (you do not need to be specific about dollar amounts in early conversations). If a trust vests when a beneficiary turns 30, conversations may be introduced around age 16 or 18. Additionally, if there are other parameters or conditions to the trust (e.g. must graduate college, no drug use, etc.), outlining these conditions early teaches beneficiaries about the consequences of their actions and saves the testator from making what feels like an unfair decision based on an intended beneficiary's lifestyle choices.
"It is private"	*The belief that discussing money is taboo or inappropriate.*	This belief that money is an unsavory conversation topic may be combated by putting parameters on when and where these discussions will be held. For example, set time aside to discuss inheritance either at home or at an office, and consider having a third party advisor present. Set the standard that these conversations do not occur at the dinner table or on family vacations, but rather in specific and structured spaces at a predetermined time. This allows productive dialogues to begin within conventional mores.
"They will fight"	*Disclosure will trigger rivalry, jealousy, or resentment.*	Share decision rationales, not just outcomes, and use a neutral third-party to facilitate (e.g., an attorney or other advisor). Additionally, holding regular family meetings that foster thoughtful, open discourse about decisions.
"It is not the right time"	*Avoidance or denial of mortality; fear of loss of control.*	No time is perfect. There will always be an event, conflict, or general busyness to justify postponing conversations. Unfortunately, deferring these discussions only creates strife down the road. Early planning actually helps prevent crises. Often, discussing through "what if" scenarios is a more gentle approach to the topic of mortality.