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PERSONAL FINANCE

Hash Out the Inheritance Now, or Fight Your Family Later

The toughest part of estate planning isn't writing the will, but talking about it openly with the family

By [Ashlea Ebeling](#) [Follow](#)

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Death and money aren't fun subjects to bring up over dinner. Yet families who make time for that awkward chat now can spare deep regrets and potentially millions in lost dollars.

More than \$84 trillion in wealth has been, or is set to be, transferred by estates big and small between 2021 and 2045, according to Cerulli Associates. That wave of inheritance has brought a rise in lawsuits and other conflicts over family assets.

Sometimes the arguments are between one child who took care of Mom and another who didn't. There are also the children from a first marriage who end up disinherited after the second.

Overall, about one-third of Americans say they don't plan to have the inheritance talk with their family, according to a new study done by financial services company Edward Jones with consulting firm NEXT360 Partners and research firm Morning Consult.

"Shock and uncertainty don't bode well for heirs," said Caitlin DiMillo, a client adviser at Spinnaker Trust in Portland, Maine.

It is important for heirs to hear—when all those involved can still sit at the table—from the older generation why things have been put in place a certain way, no matter how uncomfortable they may be, she said.

Stephen Lane, a real-estate broker in Geneva, Ill., regrets not talking to his mother about her will. He's still stewing about it nearly a decade after her death.

Lane says his mother had told his three daughters that she wanted them to have the family diamond rings, but didn't put it in writing. The will left everything to her second husband.

His mother, a second-grade teacher who remarried after he and his older brother were grown, showed them where her will was stashed, but they didn't push to see it.

"We probably should have pressed harder and said, 'Show us the document, Mom. Is what you want done going to be done the way you want it done?' " said Lane, 62.

Blended families are a growing source of conflict in estate fights, and it is especially important for them to talk about wealth transfer, said Lena Haas, head of wealth management advice and solutions at Edward Jones. Resentment is common, no matter how assets are split among children from different marriages.

"This is not a one and done conversation. Family dynamics are constantly changing," she said.

You can't count on a new spouse to take care of your kids from your first marriage, but you can set up a trust or provisions in your will, and title accounts and real estate, to do so.

Adult children and their parents say they have found different ways to bring up the hard questions. Some start the conversations decades in advance.

Talk early and often

Once parents feel their children are mature enough, it is time to start the talk, said Stephen DeFilippis, an enrolled agent and wealth manager in Wheaton, Ill. DeFilippis's son, Troy DeFilippis, a 29-year-old financial adviser who works with his father, says his dad opened the books for him when he was 23 and joined the firm. He and his dad have a succession plan for their business, and he has talked to his mom and his sister about what they would get when his father dies.

"I know what he wants to leave this world with us getting. It helps me plan," he said.

The topics to cover go beyond just dollar amounts, financial advisers said. The discussion can also address caregiving, charity and educational costs.



Stephen DeFilippis, right, and his son, Troy DeFilippis. PHOTO: DEFILIPPIS FAMILY

Many families avoid the discussion until a health scare or other life event makes it urgent and even more stressful.

Rebecca Shoval, director of operations for her family's real-estate investment office, said her parents had included her in wealth transfer talks since they sold their insurance business and started diversifying. When her dad, then 72, was suddenly hospitalized during the pandemic, she and their estate planner were able to ensure everything was in order.

"As people age, it can take on a haunting air to talk about these things," she said.

Time and place

Thanksgiving dinner, with its attendant tensions, is not the best choice for many families, said Joseph Coughlin, director of the Massachusetts Institute of Technology AgeLab and senior adviser to Next360 Partners.

"This is a conversation, not a confrontation," Coughlin said.

Families who live far apart don't always have a choice. Ann Herring, a director of executive education in Chicago, says the wealth transfer talk with her 94-year-old father who lives in Michigan has been ongoing for decades, in the form of an annual review during holiday visits. When her mother got Alzheimer's, he made Herring power of attorney for both of them.

Now Herring is administering her late mother's estate, and the talk with her father continued this Christmas. He shared revised passwords, and they

broached the trickier subject of lifetime gifts to the family. Talking in person “makes it more friendly to try to not make it feel like a business transaction,” Herring said.

Giving while living

One way to avoid surprises: Give heirs all or part of their inheritance while you are still alive.

Doug Fogwell, a retired marketing executive in Winfield, Ill., says that once his parents were up in years, they sat down with him and his two sisters.

His parents chose to take him and his sisters, spouses and later grandchildren, on 23 all-expenses-paid trips, from camping in Indiana to snorkeling in Tahiti.

“They joked: ‘We’re just spending your inheritance,’ ” he said.

This is becoming more common. About 68% of people in the decade before retirement said they would prefer to distribute inheritance money before they die, the Edward Jones study found.

Fogwell’s father died in 2014, and there won’t be a lot to pass along after his mother, now 94, dies, Fogwell said. But he and his siblings have those memories and a family tradition of togetherness.

“It is a great legacy that they established that we’re passing on to our kids as well,” Fogwell said.



Lerland and Mary Fogwell, in the front row at their 60th-anniversary party, took family members on 23 all-expenses-paid trips, joking that they were just spending the kids’ inheritances. PHOTO: FOGWELL FAMILY

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