**What Should You Do With An Inheritance?**

What would you do if you inherited $10,000 or $100,000 or $1,000,000? It’s a common group icebreaker and while the fantasy can turn to coveting and jealousy and the warnings of Scripture indicate that fixating on the possibility, whether real or imagined is spiritual self-harm. Nonetheless, in this generation there is a real transfer of wealth occurring.

What should you do if you inherit money? It is a question that many will eventually need to consider.

I can’t let it go without saying, if you and I were having a conversation, the amount of the inheritance, your personal financial situation, and your financial goals should all be considered – so this isn’t a full list, but this is a good place to begin.

**Don’t Spend What You Don’t Have**

I’ll say this quickly. If you expect to inherit wealth it is important that you live wisely, and don’t live as if it’s already yours. The list of reasons that you might not receive what’s been promised is long; family disputes, changed wills, market shifts, or health care costs. So, don’t spend it if you don’t have it.

**Improve your Long-Term Financial Position**

Fill up your emergency fund, pay down debts, or do some investing. If you do inherit money or property, use wisdom and adopt the intention to improve your long-term financial position. Having fun in their memory, buying shiny things, and doing some giving are all worth considering. But remember, financial windfalls make fools of even the strictest of budgeters so test your decisions against the canon of improving your long-term financial position.

**Re-amortize Your Home Loan**

Many people think about paying down their home mortgage. This is great! Though, if the inheritance is not enough to completely pay down the mortgage, then approach your bank about re-amortizing your home loan. It’s like this.

If you owe $100,000 and have $50,000 to reduce your loan balance this large principal payment will not lower your monthly payment (that fact will cause some people to be slow to use inheritance money pay down their mortgage). Though, it will reduce the interest you pay over the life of the loan.

But, if you can re-amortize your loan the bank will apply the $50,000 to your balance, this leaves a $50,000 loan balance, and payments will be “spread” over the remaining years of your loan. Instead of paying off $100,000 in principle over the next (insert years left on your loan) you’ll be paying off $50,000. This means your mortgage payment (principal and interest) will be less. This new payment schedule has the possibility of improving your long-term financial position by increasing your cash flow each month.

**Pastor Rob’s Financial Tip**

Receiving an inheritance can be a great blessing and is a wonderful responsibility.

Wise guidance is gained from a cabinet of counselors. So, why not pause? Why not take time to talk ask around and find out what others you know have done with inheritance money? Discover what they would do differently, or how it’s impacted their long-term financial position, or what they would do the same.