



How Do I Heal a Conflict Over Inheritance?

My parents are rich, with three homes on three different continents. They were entrepreneurs and, as my dad says, the hard work — with luck — gave us a good life. Last Thanksgiving, they sat down with my three siblings and me and said, “You got your college paid for and when we die, all our assets go to charity. Don’t expect an inheritance. Our financial advisors told us to tell you this now so you would be more effective about your financial planning and not assume you would be getting money from our estate.”

This was no big deal for me, but my siblings have not spoken with my parents ever since! I tell them it’s Mom and Dad’s money, and they gave us great educations (two master’s, and one Ph.D.), nice vacations, weddings, and helped most of us get our start. How do we heal this?

You have the right attitude. Unfortunately, many children of affluent parents assume that it is their parent’s job to take care of them for life. They have chosen dependence. Some will even go as far as to say that the parents caused them to be dependent, that it is the parents’ “fault” that they can’t get a good job, spend too much, live too large, and such. It sounds like your parents are thoughtful, level-headed, and infused with common sense. It was good of them to tell you now, rather than having you find out years from now when their will is read. Knowing now allows you and your siblings to save for your retirement and your kids’ education and to get a lifestyle “sized right” for your income and means.

Historically in the United States, we have not assumed it should be right for people to leave assets to anyone but a spouse. Inheritance or death tax rates have been in excess of 70 percent on some estates in our history. Your parents would have been taxed substantially if

they left assets to you and your siblings or even if they transferred chunks of their assets to you while living. If they give it all to charity, none of it goes to taxes, as charitable gifts are not taxed at death. Bill Gates, Warren Buffett, and other “super rich” have given big chunks of their estates to foundations and charities — at, of course, the expense of it not going to their kids.

Tell your siblings you love them, and ask them, “If our parents had not been rich or weren’t rich, would you refuse to talk with them because they were not financially successful? Would you love them less?” Then, listen mindfully without judgment, let your family heal, and allow your siblings to realize they are responsible for their lots in life. If you want, I will send them each a copy of the book *Virtue of Wealth*.

I just realized that I’m getting almost \$10,000 back from the IRS — a nice surprise. I’ve got my kids’ college to pay for, a retirement to fund, and my dad’s roof is practically caving in and he doesn’t have the cash to fix it. I’m doing fine at the moment, but I don’t know what would make me feel best. How do I figure this out? Should I get the home theater I’ve been dreaming of?

Life is about choices, intentions, and priorities. When a windfall like \$10,000 comes in it is wonderful, but the goal is to make it be “lasting wonderful.” In Buddhism, there is a teaching about the “silliness” of stringing “wine, women, and song” — types of happy events like blankets over our sorrows, instead of addressing our sorrows. So grab a piece of paper and write the answers to three questions: 1. What are your goals? 2. Are your goals consistent with your intentions and priorities? 3. What are the possibilities of what to do with the \$10,000? You listed helping your dad, kids’ education, retirement, and a home theater. I would say, for sure, put the dollars in a tax-free retirement account before setting up a non-deductible education account for your kids. Dad’s roof or your home theater seems pretty straightforward: buy the home theater, then sell your dad’s home and have him move in with you and watch ESPN together all day. Seriously, sit with the decision after you’ve listed your options. Discuss it with your spouse, and it will be obvious what the best plan is. If you don’t have a financial plan, then look to hire a good, fee-only financial planner to help sort through your options.

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