

## What to Say to Your Adult Kids About Your Estate - Transcript

**Tom Mullooly:** In episode 221, we talk about what to say to your adult kids about your estate. Stick around.

Welcome to the Mullooly Asset show. I'm your host, Tom Mullooly. And this is episode number 221. Planning your estate and how things should be distributed are often topics that we talk about here with our clients. There was a pretty good quote, and we'll link to it in the show notes. You may have a very good and well-thought-out plan for what you're doing with your estate after you're gone. But if you don't communicate that with your kids, they won't know, and you're not there to explain it to them. One of the things that you could do is you could write a letter. It's not a legal document, but at least it explains your thinking for reasons why you're doing what you're doing. But in all cases, we think you should tell your family your plans. Tell them all at the same time, if it's possible, so there's no misunderstanding.

Controlling from beyond the grave, it's called dead hand control. It's very hard to do. And I got a couple of thoughts on that. First, if you're trying to control from beyond the grave, all of that good will that you've accumulated over the years with your family can be easily forgotten or overlooked. That's a biggie. You could be creating some real rips, some real division in your family, so talk about this in the open. And another point, this is just my opinion. Some people may differ with me on this. But an inheritance is a gift. It's not a right. If I want to give all my money to the ASPCA, it's my money. I'll do what I want. Many clients have tried to tell their kids, "You got to stay with their advisor." For the record, we would love all of our clients' families to stick together, and we continue managing their money for generations. We are already doing that. I think a lot of advisors would love to see that.

But the reality is, sometimes, the next generation actually needs that money, or they've got plans for that money, or they have their own advisor. Some people say, "Hey, I need this to pay off my mortgage." Or, "This is going to put the kids through college," or they've got their own financial plan. The last thing that adult children want to hear from their parents is, "My guy did great for the last 10 years, 20 years, 30 years. Just stick with them." Our approach here is a little bit different than the rest of the industry. In fact, there are webinars that are given, and have been given for years on this topic, how to retain the business after your clients die. They talk about things like sending birthday cards to the adult children of your clients or getting the adult children involved in the planning process for mom and dad. Just my opinion, but that's called reverse brown nosing. We don't want to do that.

So, we have a different approach here at the firm. When a client passes away, we know there's an extremely good chance that money is going to be leaving eventually. So, we tell the executor and their surviving family members, it's been an honor to serve you and your mom, or your dad, or your family. And we hope that you'll consider working with us. But we fully anticipate that changes are going to be coming. It's a sensitive topic. I can tell you that a lot of advisors don't want to talk about what happens when a client dies. A lot of clients don't want to talk about what's going to happen after they die because they lose control. They're dead. So, it's sensitive. It's awkward. It's uncomfortable. Do yourself a favor. Have the conversation with your family.

That's the message for episode 221. Thanks again for tuning in.