



Sibling Squabbles over Mom's Money: Divvying Assets Between Multiple Heirs

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[Through Financial Transition - By Rhonda Ducote](#).

Financial Transitions when Mom Has Money

For many, it is a common dream: a peaceful retirement after years of hard work providing for your family. It is the iconic American Dream to work and then to pass along the fruits of your labor to the next generation. But as lovely as this image may feel, the transfer of wealth is not as easy as it seems. This is especially true if you have more than one child. Sibling squabbles over Mom's money during financial transitions are not uncommon and can be dealt with ahead of time.

The transfer of wealth is loaded with nuances that can cause confusion. Having more than one benefactor in an estate can lead to additional strife between already stressed family members who are discussing the potential loss of a loved one or dealing with the reality of that loss.

“ *Having an open and honest dialog with loved ones is an essential first step to setting expectations* ”

For Baby Boomer women, who are uniquely positioned as stewards of [the largest wealth transfer in human history](#), minimizing squabbles and resentment between their children over inheritance is a high priority. Many women may be inclined to change the way they divide their assets simply to ensure that it is “fair” in their eyes. This generation of women spent most of their time in the household with child-rearing at the forefront of their adult lives. They do not want their death to bring discord to the family into which they invested so much time, love and effort.

Suggested reading, “[Family Finances: What a Wife Needs to Know](#)”

Talk it Out: Avoid Sibling Squabbles over Mom’s Money

The most effective way to reduce potential rivalries among siblings is to decide how to allocate wealth before the transfer is necessary. Having an open and honest dialog with loved ones is an essential first step to setting expectations. Striking up a [conversation](#) that centers around mortality is difficult, but it is also a must to ensuring a seamless transfer of your assets.

A note to advisors: It is essential during this time to be professional and impartial during financial transitions. Listen to your clients’ desires and advise them on the best strategies to meet those desires. Use your credibility to provide a calming, authoritative presence. Your clients already trust you and have let you into this very personal process. Show them and their potential beneficiaries that it can be smooth. Everyone can leave satisfied under your care.

Two Common Bumps in the Road to Watch For

Every family dynamic is unique and all siblings will respond to situations differently. There are two common confrontations that can occur during the inheritance process:

1. In some instances, parents will divide up their assets between children based on the parents' perceived needs of each child. This can cause conflict if the parental analysis of each child's needs does not align with the child's own analysis. This tends to happen when one sibling has attained more financial success than the others, or when one sibling has significantly less financial security than the rest. A prominent pop culture example of this is Anderson Cooper, son of Gloria Vanderbilt. Cooper has built his own success and publicly stated that he will not inherit any of the massive Vanderbilt fortune.
2. On the other end of the spectrum are parents who leave their assets divided equally, right down the middle. This can still spur discontent among siblings. When one child feels he or she has been more involved with the ailing parents, that child may feel entitled to more of the assets. He or she might reason that more time, effort and money was expended in caring for the original asset holders.

Tips for Diffusing Sibling Squabbles

As these situations show, dividing your assets either equally or unequally among the inheritors can cause issues. The best way to address these potential setbacks in the process is to talk about them before they come up. Talk clearly with your advisor and children to ensure that everyone understands the motivation behind the asset distribution.

Another effective strategy is to leave behind a detailed personal letter or video recording with your will. This form of communication is not legally binding, but it can remind inheritors of the logic and reasoning behind the decisions in the will. If you have already discussed this with your family and advisor, the personal message is a reminder of previous conversations and reinforces your wishes.

Suggested reading, "[Helping Boomer Women Survive Financial Transitions](#)"

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More so than many other problems that arise within money management and financial transitions in families, sibling squabbles over inheritance can be very detrimental to family dynamics. Communication is key to tackling this multidimensional situation.

Advisors, it is imperative to communicate often and openly with our clients regarding the potential issues that may arise.

Boomer women, the generation now moving toward advanced age, can avoid excessive grief and strife in the years that should be the sweetest when the entire family is privy to the decision-making process on final wealth transfer.

About Rhonda Ducote

Rhonda Ducote, president of Apriem Advisors, an Irvine, Calif.-based independent, registered investment advisory firm with more than \$500 million in assets under management. She has more than 20 years experience as a wealth manager, 17 of which have been spent at Apriem Advisors. Rhonda is passionate about her work and has pioneered the Women of...



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