



## **It's Time to Have “The Estate Plan Talk”**

Talking with loved ones about estate planning and inheritance can be challenging, especially as it centers around two taboo topics – money and death. But talking with your adult children about their inheritance can provide signature advantages for you and them. It can help your heirs better prepare for the future and give you a chance to explain the reasoning behind your decisions.

Here's a look at the importance of discussing your estate plan with your kids and how to start that conversation when you're ready to have it.

### **Setting and managing expectations**

Your children might have some idea of your assets, but they likely won't realize the full picture unless you tell them. If you're comfortable doing so, walk your kids through your estate in detail, discussing exactly what they will inherit. If dealing with exact figures is too much, even a general idea of the size of your estate can help inform your kids' financial choices and manage expectations about what they may ( or may not) inherit.

Discussing your estate is also an opportunity to talk with your kids about your family legacy. Share the decisions you made throughout your working years to build and preserve wealth. Discuss charitable giving priorities and values surrounding how to handle money. You may also wish to pass along financial wisdom, such as financial mistakes you've learned from over your lifetime. This discussion could even open the

door to financial topics your kids may not have felt comfortable discussing with you before.

Finally, be sure your children know where you store important documents and how to access them. Similarly, provide them with the contact information for important players in your estate plan, such as your financial advisor, estate attorney, and whoever has power of attorney.

## **Explaining your choices**

Depending on how many kids you have, the ages of each one, and other life factors, the inheritance each child receives may not be equal. Maybe you've decided to leave more to one child due to a disability or health condition, or maybe you're leaving most of your money to a favorite charity, leaving less for your kids overall. Going over these decisions now can head off hard feelings and confusion about how you want your money managed after you die.

If you'd like one of your kids to take on an important role such as executor or power of attorney, explain their responsibilities ahead of time. You may discover they don't feel up to the task and that you need to choose another person. Whether you've chosen someone else in the family or even a professional executor, use this discussion to explain why.

## **How and when to begin the conversation**

There's no perfect time or place to bring up an emotional topic like estate planning, but some situations may be better than others. While it may be tempting to open a dialogue around the holidays when everyone is home, family get-togethers can be stressful and chaotic. Instead, find a quieter time of year, and pick a comfortable environment with positive associations.

If you're unsure of how to begin, your financial advisor can help you facilitate the discussion. They can answer your children's questions and explain their responsibilities in the execution of your estate.

It's all right if the discussion doesn't go exactly as planned. You're opening a dialogue about your estate plan with your kids, and it may take more than one conversation to get on the same page. But working through any issues now reduces the risk that they'll develop into conflict later and increases the chances your wishes will be carried out as planned.

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