

Money talk

Starting a **conversation** with your heirs

I have this dream my daughter-in-law kills me for the money she thinks I left them in the will."

– Taylor Swift

This lyric is from a song on Taylor Swift's new album where she discusses the fears and insecurities that plague her in the middle of the night (good to know she's just like us). And in the music video for this song, her adult children are reduced to a fistfight over what they thought they should have inherited.

Given that Taylor doesn't yet have kids, her insecurities drive home the sensitivity of this topic.

Talking about money is difficult, personal, and delicate. Opening up about our struggles and our successes can be an emotional journey for all involved. But our discomfort does not eliminate the need to have the conversation—in fact, it hints at the importance and value of facing our fears.

In the most recent UBS Investor Watch, "Share it well," we found that half of those surveyed have not shared their net worth, details of their will, or their wealth-transfer intentions with their heirs. For many, they have not completed their planning because they struggle with how to divide the assets fairly, while others hesitate because they worry that knowledge of an inheritance may lead to a sense of entitlement. But for many, they just don't know how to start the conversation.

Before a discussion with your heirs, it is important to spend time with your spouse or partner to articulate the vision and values that shaped your estate plan. Were you motivated to limit the taxable impact upon your death, or create a vehicle to bring your legacy to life in the community? Whatever the answer, it is the backbone of your plan and will help you clearly communicate the impact your wealth will have on your family, heirs, and community. If you have not yet completed your plan, perhaps the questions below can help you get started:

- 1 **What does your wealth mean to you?**
- 2 **How do you want your wealth to shape or impact the lives of your loved ones?**
- 3 **What are the core principles you feel define your family? Do you believe your children agree with your thoughts?**
- 4 **Would any of your heirs benefit from using their inheritance while you are still alive? Would you get joy from watching them use the assets?**
- 5 **What is the best possible result that could come from this conversation or process? What is the worst-case scenario? What steps can you take to ensure success?**

For many, broaching the subject is the hardest part, and approaching your family about this conversation may feel awkward. From our research, 61% of investors surveyed (whether the parents or the heirs) feel that parents should initiate the discussion. Perhaps there is a life event such as the birth of a grandchild or the purchase of a new home that you can use to naturally start a conversation. Using life milestones is a great way to discuss larger topics.

"When you were born, being a grandparent was the furthest thing from our minds. We want to help you plan for the baby's future. Let's sit down and discuss the planning we've completed."

"When your grandmother died, she left us with a mess and we are committed to not doing that to you and your siblings. Next week we are going to walk you through the planning we have set up."

"Your dad and I just met with our attorney to discuss our estate planning, and it reminded me that I want to talk to you about our situation."

Once the conversation is underway, be sure to ask open-ended questions to allow your family room to explore and elaborate on their thoughts and emotions.

- ① **Ask them to share a story or memory they believe captures the family best.**
- ② **What about money is important to them?**
- ③ **What role do they see money playing in their life in the future?**
- ④ **What excites them about the future?**

Creating space for these conversations with your family can help ease concerns, align values, and strengthen bonds. But you don't have to do it alone. Reach out to your UBS financial advisor for help facilitating this conversation or holding additional family meetings.

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Version D / 2022. CIO82652744

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