The emotional currency of wealth transfer

Navigating complex conversations

Money is emotional. Within families, differing values, financial literacy levels, and expectations around inheritance can create tension and avoidance. As a result, family conversations about money and wealth transfer often remain superficial—barely scratching the surface.

These scenarios reflect common challenges families encounter when navigating wealth transfer conversations:

Unequal needs between siblings

A couple skirts the wealth transfer topic because one child needs their support, the other doesn't. The older son earns millions as a tech company executive, while the younger son is an artist struggling to make a living. The parents plan to provide more long-term financial support for their younger son, and they're worried their older son will resent them when he learns of their intentions. It's the elephant in the room—everyone knows that money will be passed down, but nobody has discussed it, and the children are unaware of their parents' true wealth.

Blended family dynamics

A newly married older couple is navigating the dynamics of a blended family. Husband and wife are enjoying their golden years with exotic vacations and quality time together. They both have young adult children from prior marriages and encourage them to be conservative in their spending. But the children see how their parents are living, and they feel entitled to enjoy the family's wealth just the same. The parents had previously discussed wealth transfer with their children, but now the dynamics have changed. The couple knows it's time to have a serious conversation, but they're afraid to disturb their new blended family's delicate balance.

Don't give up on these critical conversations. Wealth givers and beneficiaries alike benefit from clear, detailed communication.

Philanthropic priorities vs. family expectations

A philanthropic matriarch is leaving most of her wealth to charity. This widowed mother of four is passionate about leaving a legacy that positively impacts her community. She sat her adult children down to let them know that while she intends to leave them a portion of money, she expects them to create their own wealth, not inherit hers. This came as a shock to the children—they had always assumed their family's money would be divided equally among the four of them. Now the children aren't speaking to their mom, and she feels hurt and disappointed by their response to her plans.

Insights from BMO research

According to BMO research,[1] parents who delay conversations about wealth transfer tend to feel less comfortable about their beneficiaries' long-term ability to manage their inheritance. Alternatively, wealth givers who proactively equip beneficiaries with details of their wealth transfer plans feel better about their beneficiaries' ability to manage their wealth.

These trends in comfortability extend to the beneficiaries themselves: Beneficiaries who aren't involved in wealth transfer conversations feel ill-prepared and experience concern and anxiety about managing their inheritance long-term.

Whether you've barely scratched the surface of your wealth transfer plans with your children, or you've broached the subject with little success, don't give up on these critical conversations. Wealth givers and beneficiaries alike benefit from clear, detailed communication that equips all family members with the knowledge and confidence they need to navigate the future.

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You don't have to navigate these conversations alone

Most wealth givers welcome third-party mediation for family conversations about wealth. Similarly, most beneficiaries express a desire for the wealth giver's financial advisor to help prepare them for their future inheritance.

Building trust through transparent conversation addresses issues at hand while managing present and future expectations. As a neutral party, your wealth advisor can provide guidance, offer a meeting venue, and facilitate family discussions, allowing you to discuss your wealth transfer philosophy openly and honestly while your children feel empowered to ask questions and voice their concerns during these often complicated and emotional discussions.

Follow these five steps to have productive and meaningful wealth transfer conversations with your family:

1. Evaluate your family's circumstances and align on decisions. There are countless family scenarios like the examples listed above, and it's best to start by taking an honest look at your family's circumstances. If a partner or spouse is involved in your wealth transfer decisions, it's important to arrive at a mutual agreement about your plans. Sometimes parents aren't aligned in their thoughts for the future, and it's critical to work through these differences before broaching the subject with your children.

2. Engage your wealth advisor to see how they can help. Discuss your family's unique situation to determine how your advisor can best support your discussions. Your advisor's involvement can range from boosting your children's financial literacy to hosting an event with like-minded families where people can share experiences and gain support and new insights in a safe space.

Discuss your advisor's potential involvement in your family's wealth transfer discussions and explore the tools and resources they can offer. If your children are concerned about how to responsibly manage their inheritance in the long term, for example, your advisor may provide educational tools or sessions, either in-person or online to help improve financial literacy and the knowledge they need.

3. Identify what to disclose, and when and how to do it. Determine your approach and strategize with your wealth advisor to achieve your goals effectively. Do you want to have a softer conversation where everyone plays a values card game, or are you ready to have a serious discussion about the details of your estate plan? Do you want to fully disclose your financial details, or would you rather focus on the details of the plan? Lean into the different ways your advisor can help and go with the plan and timing that feels most comfortable to you.

4. Communicate your wealth transfer plan. Whether it starts as a conversation about charitable passions, financial education, or future estate plans, the wealth transfer conversation must start somewhere. These conversations can happen over multiple meetings or a one-time event.

Sharing your wealth transfer plans and chosen successor trustee can be extremely difficult, and many families find it best to have the conversation in stages. Your advisor can make recommendations on how to structure these conversations based on your family's specific circumstances and comfort level.

5. Prepare for emotional responses. As you share details about giving, any inequities between siblings or complexities around blended families will be disclosed. Like what the widower's four children felt in the scenario above: discomfort, disappointment, shock, jealousy, anger, and frustration are real emotions that family members can experience during these discussions. Be prepared and allow space for an emotional reaction from your children—your plans may not be what they expected.

Keep communication lines open

Trust and estate plans often undergo modifications as the years pass. Consistent support from your wealth advisor and an ongoing dialogue with your heirs will help family members adjust to changes in your plan as they occur.

Wherever you are in wealth transfer planning and discussions, remember that sometimes the hardest conversations yield the greatest results. Avoiding the emotions and conversations around wealth transfer, though, often produce the worst outcomes. When you approach wealth transfer conversations with vulnerability, clarity, and a little help from your wealth advisor, you and your family will be better for it in the end.

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[1] BMO NexGen Wealth survey proprietary research conducted, March 2025.

CAS00038951 (7/25)