

# Avoid inheritance misconduct by grandchildren

By Linda T. Cammuso

With the economic challenges families face today, grandparents are increasingly looking to leave an inheritance for their grandchildren — whether to help pay for education, or just to alleviate their children's financial burdens. You may have thought about leaving something to your grandchildren, but are concerned about how they will use it — and with good reason. Young adults often lack the maturity to handle money responsibly.

According to statistics, inherited money is spent at a significantly faster rate than a



person's earned or saved money. Whether your grandchildren are too young to manage money responsibly, are in debt or struggling with an addiction, you are right to fear that they will spend your inheritance before even they realize the opportunities they've wasted and cannot rectify their foolishness ... after all, to a young person it's much like winning the lottery.

You worked hard throughout your life to save money that you could leave for future generations, not so it can be squandered, but so it can create opportunities. If you are wondering what your heirs will do with money you might leave for them, you could start by having a conversation with them. Tell

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them what your mindset is in leaving them assets. Ask them what their goals would be for using their inheritance — it is valid to let them know what your hopes are for how they plan to manage the funds. Try to determine if they even have a rudimentary understanding of handling finances. Do they have a checkbook and know how to reconcile bank statements? Do they have loans and are they wise in their borrowing decisions? Are they diligent in paying on time? Are they credit-card savvy — how many cards do they have and what are they used for? Do they have a respectful relationship with their finances?

Today many people are crafting their estate plans to avoid mismanagement of inheritances by their heirs by including a trust to protect their legacy. With a trust arrangement you

can protect your heirs from themselves and ensure that they may use their inheritance methodically and responsibly.

A properly developed estate plan will ensure that you are in control and, at the same time, provide you with the peace of mind that the money you worked so hard to accumulate will be handled responsibly.

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*Linda T. Cammuso, a founding partner at Estate Preservation Law Offices and an estate planning professional, has extensive experience in estate planning, elder law and long-term care planning. She may be reached at [www.estatepreservationlaw.com](http://www.estatepreservationlaw.com) or by calling 508-751-5010. Archives of articles from previous issues may be read at [www.fiftyplusadvocate.com](http://www.fiftyplusadvocate.com).*