

Ask a Trust Officer

Problem Heir

DEAR TRUST OFFICER:

I expect to leave generous inheritances to my grandchildren. All of them except “Todd” have families and careers and will, I believe, make good use of the money. As the youngest, Todd holds a special place in my heart, but he lacks motivation. Last year he quit college and moved back in with his parents. He doesn’t express any interest in a career or his future. When we see him, the odds are we’ll find him in front of his computer doing heaven knows what.

I’m in my 70s and only in fair health. Other than disinheriting Todd (which I surely don’t want to do), is there any way that to make sure that an inheritance won’t reinforce his lack of motivation?

- CONCERNED GRANDMA

DEAR CONCERNED:

You might consider establishing an incentive trust for Todd in your will to allow you to attach conditions to his inheritance.

For example, you can specify that the trust distribute only a limited sum to Todd initially, requiring him to achieve certain goals that you believe are important (obtaining a degree, pursuing a professional career) in order to receive more. You can structure Todd’s inheritance so that he receives money from the trust only at certain ages, with the final payout coming at a time when he has reached financial maturity.

An incentive trust can’t guarantee that Todd will achieve the goals that you want him to pursue, if he doesn’t believe in those goals himself. But the trust can provide positive reinforcement, and it can protect the assets from being squandered.

Do you have a question concerning wealth management or trusts? Send your inquiry to:
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