



January 26, 2006

**FISCALLY FIT**

By TERRI CULLEN



In response to last week's Fit, many readers wrote in to share their experiences with "fair and equal" when it comes to their parents' money, and most agreed that parents should attempt to make amends when one child gets more financial support than others. Here are a few of the letters. (As always, some letters have been edited.)

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*My older sister has always received markedly more financial support than I have, a fact which has always been justified by differences in our "needs." I have had an easier time getting on my feet since leaving college several years ago, while my sister has faced tighter financial constraints. My first job provided health insurance, while hers didn't; my graduate education was fully covered by research assistantships, while her grad school was only partly covered by teaching jobs. These differences in needs have led my father to provide my sister with \$30,000 in tuition and several thousand dollars of health insurance.*

*Even with a higher salary, it will take longer for me to put together a down payment, and I believe that this is as much of a need as the earlier needs of my sister. If earning less money creates legitimate "needs" for certain children, then the higher-earning siblings will be indirectly short-changed unless cost-of-living differences are acknowledged as "needs." A child with a higher nominal salary may indeed be less needy in early stages of life, but the correlation between salaries and living costs creates a need which should not be ignored.*

**-- Bill Grant**

*My mother is a spendthrift who causes tension by borrowing money. I had to strictly define for my mother what I considered to be an emergency. And it wasn't "I've spend all my money and my Marshall Fields bill is due." Eventually, after I said "no" a few times, my mother stopped asking and learned to live within her means. Your first priority has to be to your own family. If you start saying "no" now, you will have money available later in case of an emergency at your own house.*

**-- Carolyn Bright**

*Adult children need to talk with their parents about their parents' estate plan and their own needs. It's important for the children to know what estate planning has been done. If the parents are financially able to help and make gifts to their children and grandchildren, the children should tell their parents exactly how they can help. Too often, there is no talk of the taboo subject of money -- and too often parents make gifts of one type or another without consulting their children and without realizing that another method of gifting might provide a greater benefit.*

**-- Rich Winer**

*Here is one area in which the Bible can help even those that are not going to be with the Lord: Inheritance is for the grandchildren not the children. My father is leaving it all to his grandchildren, not to me or my brothers and sisters. I am doing the same for my grandchildren. By the time it takes place there is no one to complain to that can do anything about it. Not one family member knows what my grandfather left me, nor do I know what he left the other grandchildren. It just took place.*

**-- Dan Wagner**

*If the parents' aim is to truly be fair, then "solving" the problem by treating earlier gifts to one child as an advance on one's inheritance in most cases does not solve the problem -- not even close. A basic rule of finance is that a dollar today is worth more than a dollar tomorrow due to the time value of money. An easy way to address this would be for the parents to set up a separate investment account at the time of the original gift for the other siblings and let it grow. Should the parents ever need that money, it is theirs for the taking. But should it wind up in their estate, that account would then more equitably divide the residual assets amongst all siblings.*

**-- John Jurek**

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