



HOW TO DISCUSS ESTATE PLANNING WITH ADULT CHILDREN: WHERE TO START

Why the real work of a wealth transfer is no longer the tax bill, but whether the people inheriting understand the plan.

Palmer Wealth Group™

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A Fort Worth business owner we recently advised signed his trust-based estate plan in late summer. The plan was airtight. His three adult children, all in their thirties, had no idea it existed. With Thanksgiving six weeks away, he asked us a familiar question: how do I tell my adult children about my estate plan, and where do I even start?

He is not unusual. In Fidelity's 2026 Transition Ready Family study, only 21% of parents with \$500,000 or more in net worth had walked their adult children through a completed estate plan.

WHY THE CONVERSATION MATTERS MORE THAN THE DOCUMENTS

The paperwork is only half of a successful wealth transfer. The other half is governance: whether the people inheriting understand what they are receiving and why. That second half is where most affluent families stall. Our ensemble practice, operating through the Integrated Wealth Alliance, sees this gap often. Our article on [The Governance Gap That Causes 90% of Family Wealth Plans to Fail by the Third Generation](#) covers the broader structural context.

“THE PAPERWORK IS ONLY HALF OF A SUCCESSFUL WEALTH TRANSFER.”

WHAT THE RESEARCH SHOWS ABOUT AFFLUENT FAMILIES AND ESTATE CONVERSATIONS

Fidelity's 2026 Transition Ready Family study surveyed 654 married or partnered adults aged 55 and older with at least \$500,000 in net worth. Parents who had communicated a completed estate plan were more than three times as likely to report high confidence in their planning. Only 37% of all respondents reported high peace of mind.

Fidelity's earlier 2025 Family & Finance Study showed the same gap from a different angle: 70% of affluent parents have a will or estate plan, but 68% have not told their children what to expect. The most striking finding was that 95% of adult children say they are ready to manage inherited wealth, while only 25% of parents agree.

WHY THE 2026 ESTATE TAX EXEMPTION SHIFTS THE STAKES, NOT THE URGENCY

The One Big Beautiful Bill Act, signed in July 2025, set the 2026 federal basic exclusion amount at \$15,000,000 per individual, up from \$13,990,000 (IRS release, October 9, 2025; Rev. Proc. 2025-32). With portability (allowing a surviving spouse to use the deceased spouse's unused exemption via a timely-filed Form 706), a married couple can shelter up to roughly \$30 million.

For many of our clients, federal estate tax is no longer the central concern. What remains is the governance work. Vanguard's September 2026 Transferring Wealth with Wisdom research found that only 54% of heirs had a conversation about an inheritance before receiving it, and those who did reported higher financial satisfaction. The case for the conversation now rests on preparing people, not on avoiding tax.

SIX MISCONCEPTIONS THAT KEEP PARENTS SILENT

Parents who delay offer the same reasons: silence protects children, the attorney will handle it, a letter is enough, dollar amounts are all-or-nothing, equal distributions need no explanation, and the plan already sits under the exemption. The data on the first three is especially instructive.

SILENCE PROTECTS MY CHILDREN FROM ENTITLEMENT

Thirty-five percent of parents in Fidelity's 2025 study prefer that their children not know specific amounts. The concern is reasonable, but silence does not erase expectations. Vanguard's 2026 research found that 90% of heirs reported no personal discomfort discussing an inheritance beforehand. Northwestern Mutual's 2025 Planning & Progress Study showed that 31% of Americans plan to leave an inheritance while only 20% expect to receive one, a gap that widened year over year. Where no one speaks, assumptions fill the quiet, and they rarely match the plan.

“WHERE NO ONE SPEAKS, ASSUMPTIONS FILL THE QUIET, AND
THEY RARELY MATCH THE PLAN.”

THE ATTORNEY OR TRUSTEE WILL HANDLE IT AFTER WE'RE GONE

A trustee (the person or institution responsible for managing assets held in a trust) administers documents; a trustee does not explain intent. Under Texas common law, trustees have duties to keep beneficiaries reasonably informed, and the Texas Trust Code generally limits a settlor's ability to waive disclosure for adult beneficiaries aged 25 and older. Vanguard's 2026 data found that 73% of successful

inheritance conversations were initiated by the grantor, not the trustee. These are general points; the specific disclosure rules in your trust warrant a conversation with your estate attorney.

A LETTER OF INSTRUCTION OR VIDEO MESSAGE IS ENOUGH

A letter of instruction (a written note explaining your wishes alongside the formal estate documents) is a useful complement, not a substitute. UBS's 2025 Own Your Worth: Heir Dynamics report found that more than half of women who inherited from parents encountered a financial surprise during the transfer, often around taxes or timing. A letter cannot answer the follow-up questions that surface when heirs read it. A video cannot clarify what a trust actually allows a trustee to do in a specific circumstance. We encourage clients who have written these documents to use them as prompts for live conversations. Our article on [Beyond the Family Trust: Modern Strategies for Legacy Preservation in the Digital Age](#) covers how digital legacy tools fit together.

WHAT TO SHARE, AND WHEN: A GRADUATED DISCLOSURE FRAMEWORK

The most useful conversations about talking to children about estate planning are not single reveals. They are a sequence from purpose to structure to specifics, calibrated to each child's age and readiness.

“THE MOST USEFUL CONVERSATION ABOUT TALKING TO
CHILDREN ABOUT ESTATE PLANNING ARE NOT SINGLE
REVERSALS.”

START WITH PURPOSE AND STRUCTURE, NOT NUMBERS

Most advisors quoted in CNBC's November 2025 reporting converge on the same guidance: lead with general intentions and the structures that carry them out. Hold back exact figures until the context supports them. Explain why there is a trust, what the trust is designed to do, and who is responsible for carrying it out. For many families, this is as far as the first conversation needs to go. Some structures carry nuances worth eventually understanding; our piece on [Spousal Lifetime Access Trust Texas: The \\$30M OBBBA Opportunity](#) describes how a spouse's access to a trust shapes what the next generation can expect. This framing addresses the most common source of both entitlement and resentment: the absence of any explanation.

INTRODUCE TRUSTEES AND EXECUTORS WHILE YOU CAN

An executor (the person who administers your estate through probate) and your trustees are easier for adult children to accept when they have met the people in the roles. Vanguard's 2026 data found that heirs who worked with a financial professional after inheriting were 23 percentage points more likely to report increased peace of mind. Williams and Preisser's widely cited practitioner research on preparing heirs, built over two decades of family interviews, suggests that direct wealth conversations fit most

children between 25 and 30. We often arrange a brief meeting between adult children and the people named in the plan, so the first time your children hear a trustee's voice is not after your death.

ADDRESS UNEQUAL DISTRIBUTIONS DIRECTLY, OR EXPECT FALLOUT

Twenty percent of parents in Fidelity's 2025 study expect to divide assets unequally, but only 28% of those have told their children. In our experience, unequal distributions are rarely the actual problem. The silence around them is. One advisor interviewed by CNBC in November 2025 observed that when parents explain the intent behind their decisions, children are generally more willing to accept them, even where the split is not equal. Lifetime gifting can be part of the explanation. The 2026 annual gift tax exclusion is \$19,000 per recipient (IRS release, October 9, 2025). Our article on [Step-Up Basis vs. Gifting Assets: The Transfer Decision](#) covers when lifetime gifting makes sense versus holding for a step-up at death.

RUNNING THE HOLIDAY CONVERSATION IN TEXAS: A PRACTICAL PLAYBOOK

Most clients know the holiday itself is not the venue for walking through trust documents. What the holiday offers is a rare moment with the right people in the same room. Use it to open the door; schedule the substantive conversation for a quieter day.

THE HOLIDAY TABLE IS THE OPENING, NOT THE WHOLE CONVERSATION

Joseph Coughlin of the MIT AgeLab, quoted in Wall Street Journal reporting on family wealth transfers, has argued that spreading these discussions over time is the way to avoid shock and resentment. Fortune's May 2026 coverage of advisor-led estate meetings documented families holding four or five preparatory sessions before the first substantive reveal. We do not expect clients to run five meetings. We suggest treating the holiday as a brief, announced opening: let your children know the plan exists, that you want them to understand it, and that a longer conversation is on the calendar. If you are ready for that longer one, our guide on [How to Run a Family Wealth Meeting: A First-Timer's Guide](#) walks through the structure.

WHAT COMMUNITY PROPERTY MEANS FOR A TEXAS CONVERSATION

Texas is a community property state. Under the Texas Family Code (§3.002, §3.003), most assets acquired during marriage are presumed to belong jointly, with each spouse controlling only one-half. At the first spouse's death, the Texas Estates Code (§101.052) sends the deceased spouse's half to that spouse's heirs, while the surviving spouse keeps the other half. Texas has no state estate or inheritance tax (Texas Comptroller of Public Accounts), and in November 2025 voters approved Proposition 8, a constitutional ban on any future death tax. The practical effect: when parents speak of "our plan," they are describing two half-interests plus any separate property. Our article on [Financial Planning for Texas Surviving Spouses: The First Year](#) covers the mechanics for the surviving spouse.

BLENDING FAMILIES, STEP-CHILDREN, AND IN-LAWS AT THE SAME TABLE

Blended family dynamics add a layer worth preparing for. Under the Texas Estates Code (§201.003), if a decedent dies without a will and has children who are not also the surviving spouse's, the decedent's community-property half passes to those descendants, not to the spouse. The result can surprise everyone at the table. Fidelity's 2025 learning center research also found that 25% of adult children do not know whether they are named as executor, a point that becomes charged quickly in blended families. We encourage clients in blended households to meet with their estate attorney before the holiday, so the conversation reflects the actual plan rather than assumptions about it.

WHEN NOT TO HAVE THE CONVERSATION (YET)

Transparency is the default we recommend, but it is not always the right answer at any given moment. Emotional dynamics, timing, and genuine uncertainty can all argue for a different approach.

ADDICTION, DIVORCE, AND ACTIVE FAMILY CONFLICT

Estate attorneys regularly recommend delaying disclosure in specific situations: active addiction recovery, a pending divorce where expectations could affect proceedings, estrangement, or exposure to creditors. The practitioner literature on "silent" trusts, including analyses from firms like Vorys and WealthManagement.com, treats these as legitimate scenarios, though Texas law limits how long a trustee can withhold information from an adult beneficiary. Even here, principals usually want to communicate with other family members. The question becomes less whether to communicate and more which conversation, with whom, and when.

SETTING EXPECTATIONS WHEN AMOUNTS ARE GENUINELY UNCERTAIN

Kiplinger's September 2026 reporting on the Morning Consult "Trillion Dollar Talk" survey found that 34% of parents who had not discussed inheritance cited too many unknowns about longevity and long-term care costs. Our article on [Protecting Your Assets from Nursing Home Costs: A Complete Guide](#) covers how those costs can shape an estate's trajectory. Established economic research has also found that expected inheritances can affect a recipient's labor-force decisions. The practical response is not to withhold the conversation, but to frame it honestly: describe the plan, structures, and reasoning, and be clear that final amounts depend on future health, markets, and business outcomes that cannot be promised today.

FREQUENTLY ASKED QUESTIONS

Q: WHEN SHOULD I TELL MY ADULT CHILDREN ABOUT THEIR INHERITANCE?

There is no single right age. Williams and Preisser's widely cited practitioner research suggests direct, technical conversations fit most children between 25 and 30. Before that, we often focus on values and the existence of a plan rather than specifics. The real trigger is less age than readiness: how children handle their own money and responsibility. Fidelity's 2026 data showed that families who had the conversation at any age reported more peace of mind than those who waited.

Q: SHOULD I TELL MY CHILDREN HOW MUCH THEY WILL INHERIT?

Not necessarily, and not all at once. Thirty-five percent of parents in Fidelity's 2025 study prefer not to disclose specific amounts, which is a reasonable position. The guidance most advisors converge on, including those quoted in CNBC's November 2025 reporting, is to start with structure and intent: why there is a trust, what it is designed to do, and who is in charge. Specific amounts can come later. The goal is enough context that children are not blindsided.

Q: HOW DO I EXPLAIN A TRUST TO MY ADULT CHILDREN?

Start with what the trust is for, not the mechanics. A trust is a legal arrangement in which assets are managed by a trustee for named beneficiaries, under rules the creator set out. Explain why you chose that structure (continuity, protection, tax efficiency, or control over distributions), who the trustee is and why, and what the trust is designed to do. Introducing the trustee in person, where feasible, is one of the most useful steps families can take.

Q: HOW DO I TALK TO MY ADULT CHILDREN ABOUT AN UNEQUAL INHERITANCE?

Directly, and well before the plan takes effect. Fidelity's 2025 data showed 20% of parents plan unequal distributions but only 28% of those have discussed it. Unequal splits create lasting friction mostly when children learn about them without context. An advisor quoted by CNBC in November 2025 observed that when parents explain their intent, children are usually more willing to accept decisions, even where the split is not equal. Explain the reasoning and leave room for reaction.

Q: IS A LETTER OF INSTRUCTION ENOUGH INSTEAD OF A CONVERSATION?

No. A letter is a valuable supplement, but it cannot answer the questions your children will have when they read it. UBS's 2025 Own Your Worth: Heir Dynamics report found that more than half of women who inherited from parents hit a financial surprise during the transfer, often around taxes or timing. We encourage clients to use these documents as prompts for live conversations, not as substitutes. The letter sets context; the conversation lets your family ask what they do not yet know to ask.

Q: HOW DO I HANDLE FAMILY CONFLICT DURING THE ESTATE PLANNING CONVERSATION?

Expect some friction and plan for it. We recommend separating the planning conversation from the decision conversation: in the first round, you are sharing structure and intent, not inviting votes on who gets what. When tensions run high, a neutral third party, such as your estate attorney or advisor, can help by framing the conversation around shared family goals rather than individual grievances. Setting ground rules, such as one speaker at a time and no response demanded in the moment, protects relationships while the substance gets covered.

START THE CONVERSATION

If you have a complete estate plan but have never walked your family through it, a short consultation with our team can help you decide what to open with and when. There is no cost or obligation.

ABOUT PALMER WEALTH GROUP™

Palmer Wealth Group™ is a boutique wealth management practice operating as an Integrated Wealth Alliance — a coordinated team of specialists dedicated to business owners, corporate executives, professional practice owners, and multi-generational families navigating the financial complexities that accompany significant wealth. Led by Luke A. Palmer, CFP®, AAMS®, CRPS®, AWMA®, the practice delivers the institutional-quality strategies and coordinated oversight that clients who have outgrown conventional advisory models require. Learn more at palmerwealthgroup.com.

IMPORTANT DISCLOSURES

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Regulatory and Statutory References. Federal and state statutes, IRS guidance, and regulatory thresholds referenced in this article are current as of the publication date and are subject to change. Interpretation of Texas community property law, Texas Trust Code, Texas Estates Code, and federal estate and gift tax provisions, including the One Big Beautiful Bill Act (2025), should be confirmed with qualified counsel in light of a specific family's facts.

Forward-Looking Statements. Any references to future tax law, exemption amounts, inflation adjustments, or anticipated regulatory changes are forward-looking and subject to change. Nothing in this article should be read as a guarantee of future tax treatment or legislative outcomes.

Not Personalized Guidance. Any disclosure frameworks, graduated-disclosure recommendations, or sample conversation structures referenced in this article are general reference points and do not constitute personalized advice for any family. Appropriate disclosure depends on the particular facts of each family, including heir maturity, family dynamics, trust structure, and applicable state law.

Third-Party Sources. Data, surveys, and interpretations attributed to third parties are drawn from the sources listed in the References section. Palmer Wealth Group™ has not independently verified all underlying data. Statistics drawn from survey research reflect the characteristics of the sampled populations, which may differ from any individual household's circumstances.

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FINRA Rules

- FINRA Rule 2210 (Communications with the Public). <https://www.finra.org/rules-guidance/rulebooks/finra-rules/2210>

Research Methodology: This article was prepared with the assistance of AI tools that supported research synthesis and initial drafting. AI tools do not exercise professional judgment and may have gaps in current regulatory or market information. All content was independently reviewed by qualified Palmer Wealth Group™ professionals. The analysis and guidance expressed here represent the professional judgment of Palmer Wealth Group™, not AI outputs. Palmer Wealth Group™ assumes full editorial and compliance responsibility for this content.

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