Guilty Money
The Guilt of Inherited Wealth

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What? You received a windfall of money and you feel guilty? That’s wrong. Or is it?

An old saying goes something like this: “Money suddenly gained often drains away, while money earned gradually stays with you.” Perhaps the keepers of this old saying should add: “And money that you inherit will agitate your finances and life until your nerves feel balled up like a load of wet T-shirts in the washing machine.” Only they’d find a more graceful way of putting it.¹

The windfall of inherited wealth often comes with feelings of guilt and elation, isolation and confusion. No wonder. When the financial gain is due to the loss of a loved one’s life, it feels crass to be excited about the opportunities an inheritance affords.¹

Learning to be comfortable with inherited wealth is a process; a process of moving through emotional stages that can be aligned with the emotional stages of grief. There are six emotional stages of inheritance: disbelief, anger, euphoria, guilt, paralysis and becoming “heirworthy.”² Barring the euphoric stage, the six emotional stages of inheritance parallel the five stages of grief: denial, anger, bargaining, depression and acceptance.³

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Inheritors and mourners alike begin in a state of shock, often denying or disbelieving what is happening to them. Typically resulting from a death, be it the death of the person who created the wealth or the sale (death) of a business that was liquidated, there is a period of disbelief, denial and shock.

From there comes anger; anger of not being able to control the situation, not knowing much about the intended use of the wealth, not having a chance to say “good-bye,” feeling abandoned and all of the “ifs, ands, and buts” that accompany a loss.

Next is the feeling of euphoria. Although not often associated with death unless the person was suffering, euphoria is the sense of freedom, a sense of relief that emerges. Some people never progress past this stage. These individuals may spend the money until it’s gone, leading themselves right into a mixed state of guilt and depression, followed by, ironically, stage one of the grieving process (denial, disbelief and shock). For those who move past the euphoric stage, a period of guilt often emerges.

Guilt is a natural emotional state, especially so when a bequest is accompanied by someone’s death. The guilt stage is no different than the bargaining stage where people try different approaches to get their needs met; making agreements with themselves and/or a higher power about living a good life, never lying again, agreeing to help the needy, leaving a legacy, living long enough to give back and wanting to make an impact.

Moving past the stages of guilt and bargaining is no easy task, as it requires focus on the future and a thorough examination of one’s life. This process takes time and can often lead to a state of paralysis and/or depression. Paralysis and depression occur for multiple reasons, for example:

1. All the money is now gone, and a newly found fear of not having enough creates paralysis.
2. The inheritors have no idea how to spend the money in an honorable way that carries out the deceased person’s wishes, constantly asking, “What was the purpose of the money?”
3. Because the process of redefining one’s life, in and of itself, even without the added complexity of money, is paralyzing; furthermore, when one can’t figure this out, it becomes depressing. The fear of the unknown creates a powerful combination of depression by paralysis.

Although one might think it would be easier to just skip these stages, as they appear so bleak, they are very important in the process of creating a healthy acceptance of the situation and moving into the future without setback. These stages all play a vital role in moving forward.

The hope is that people will gradually make it to the final stages of inheritance or grief: feeling “heirworthy” and acceptance, respectively. Feeling “heirworthy” is a sense of appreciation and understanding. This stage is often accompanied by a realization that one can live without anger, guilt or paralysis. This can be accomplished by focusing on the future, specifically in the areas of wealth preservation and growth. Acceptance, the final stage of grief, is being at peace with the situation with the permission to express feelings of fear, anger and sadness regarding the situation.

By successfully navigating and pushing through the stages of inheritance or the stages of grief, a stronger person emerges.

Understanding guilt

The title of this article, “Guilty Money,” came from the overwhelming number of clients struggling with the challenge of, “How do I live with the guilt associated with inherited wealth?” The guilt stage is often not discussed because people are supposed to be happy with a windfall of money. One can hear that expressing guilt may be perceived as a lack of gratitude, or as insincere.

A doctor once told me, “Guilt is a useless emotion.” Years later, I still ponder that statement. But we all know that guilt is real. It is a real emotion that needs to be addressed. Guilt can be driven by the loss of the loved one(s) who passed to create the windfall. It can be tied to our need to be socially accepted and fit in. “Guilty

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money” is driven by our fears of acceptance and can be tied to entitlement. Guilt is seldom viewed as a positive motivator. Yet guilt is a powerful emotion that can corrode our thinking like cancer for years, even a lifetime, if not clearly understood and appropriately addressed.

Guilt is often viewed as a negative emotion, one that implies that we did something wrong that needs to be fixed, like eating the whole pie and then needing to work out like a maniac to fix it. It is often assumed that guilt comes from guilty pleasures or an action that is hurting others. Sometimes, the “other” that the action is hurting is one’s own self.

Guilt likely exists as a mechanism to help us recognize when we’ve done something that hurts our social standing within a group or when we threaten our social bonds. It makes us want to maintain our standing and acceptance within the group and helps us realize that we need to engage in reparative acts. Guilt is the perception that what we did, or what was done to us, such as receiving wealth, is having a negative impact and affects our social bonds.

Guilt is a motivator. It attempts to control us from repeating the same behavior and/or conform to societal norms. Some researchers view the function of guilt in a societal context, in that it keeps people’s behavior in line with the moral standards of their community. This view emphasizes a more positive emotional experience and is associated with “approach motivation,” or the motivation for achievement that is driven by a fear of failure.

By knowing that significant inherited wealth is not a societal norm and that everyone wants to fit in and be accepted, the emotion that surfaces is guilt. It is the motivator driving our need to fit in and be a part of mainstream society.

Picture the following. A young man receives a large inheritance, losing his parents in the process. He unknowingly is now grieving not only the loss of his parents, but the loss of having the relationship he always wanted, but never had, with his parents. Although he is sitting pretty financially, he feels lost and a sense of guilt emerges. He goes to his best friend and says, “I know I should be excited about the money I inherited, but instead of feeling excited about it, I feel guilty.” The friend replies, “Wow, such a problem to have. I bet everyone wishes they had your problem. Why don’t you just give me the money? That should take care of your problem.”

This only exacerbates the problem as now the young man’s inner fears are confirmed: that feeling guilty is wrong, that these feelings are not normal and they don’t fit in with mainstream society. So, instead of dealing with the guilt in a healthy manner, he stuffs it inside and tries to ignore its existence. This would be equivalent to ignoring dangerous cancer cells that slowly erode the body, yet remain at the forefront of one’s mind.

Guilt, like regret, causes us to reflect on our decision-making and avoid making poor decisions in the future. The reason we feel guilty is most likely because something occurred that we are not proud of. Our fears of not being accepted and not belonging, coupled with our fears of making mistakes, play a large role in creating and driving guilt. Anything that sets us apart from the normal, or perceived normal, elicits fear.

People are controlled every day by guilt and fear. The media creates fears and wants us to act out of guilt. Just look at the language used during the news. Often filled with words such as: “warning,” “catastrophic,” “severe,” “late breaking,” “be prepared” and “devastating.” The ticker tape across the bottom of the TV screen that was once used to warn people of severe weather is now displayed continuously, with the same desired effect: to heighten our awareness and move us to act, even if the message is something mundane. “A neighborhood dog has been stranded in a vacant home for 12 hours.” Immediately, people feel compelled to act. “The dog must be rescued.”

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Our culture preys on our fears and our feelings of guilt, seeking to keep a state of equilibrium for everyone. If someone’s life is going really, really well, they may feel guilty because so many people are suffering or unemployed. Or they may start to question, “What makes me so deserving?” They may also start to wonder if it’s too good to be true because having a fabulous life is not mainstream and everybody doesn’t have a life that is going really, really well. We have a tendency to question anything out of the norm.

Although the media plays a big role, we do this to ourselves, combining fears with guilt. Take divorce for instance. How often do people fear divorce because of guilty feelings: the fear of being alone combined with the guilt of creating loneliness; fear of damaging the children combined with the guilt of pursuing personal freedom and happiness? Fear of the unknown and fear of making mistakes are also tied to guilt.

The following synopsis by Georgia Feiste accurately captures the connections between fear and guilt:

I ran across an older book that was first published in 1979 called What You Think of Me Is None of My Business, by Terry Cole-Whittaker. It is all about letting go of belief systems that no longer work for you or, as a fellow coach calls it, “breaking down your structure of knowing.” One of the first chapters is around the circle of guilt, and in it Terry talks about two kinds of guilt: false guilt and true guilt.

**False guilt** is the guilt that is laid on us by others because they are trying to control us and make us responsible for their lives. The reason that it is false is that we are not doing anything we should feel guilty about. **True guilt** jumps up and bites us when we are suppressing another person mentally, physically or spiritually. In other words, it is when you deprive another person of their happiness and self-expression, or when you deny the other person the support they need to believe in themselves.

It’s interesting to note that we feel guilty regardless of whether we are the suppressor or the suppressed. And, in almost all cases, we behave in either of those ways because of fear. Most of us fear that other people, both friends and family, would not hang around with us if they could choose freely.

Terry shares a passage in the book that struck me so profoundly that I have read it six or seven times. It is the definition of a true relationship. Let me share it with you:

“I love and support you to be all that you are and all that you are not. I love and support myself to be all that I am and all that I am not. We are in this relationship because we choose to be and not because we have to be. I will not harm you or harm myself. Each of us is capable of being, doing, and having what we want…. From time to time when I’m giving myself the permission to love myself, it may appear to you that you are the one who has showered me with love feelings. The reality is that the love feelings I feel when I am with you come out of me.”

“How many times have you felt guilty because you thought you were doing something that was wrong, and because of that you felt unloved and unworthy? Think about that ‘wrong’ thing you were doing. What made it wrong? Think about the people or types of people that made you feel resentful, angry or guilty. What do you fear?”

Specifically tied to wealth, ask yourself the same question, “what do you fear?”

If your fear has anything to do with entitlement, it may be beneficial to know that guilt and entitlement have something in common. They both elicit anxiety and depression. However, if you put guilt on a spectrum, it would be at the opposite end of entitlement. According to Richard Morris and Jayne Pearl, “Entitled people do not appreciate, or even enjoy on any deep level, the possessions and other advantages they receive, which can lead to anxiety and depression when too much is never enough…. Entitlement usually appears in people who are emotionally neglected.” When people have everything, typically they are missing something. The something in this case is the emotional support that creates self-confidence, self-esteem and self-worth.

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At the other end of the spectrum is guilt. Guilt comes from a feeling that one does not deserve to have the advantages of wealth. These guilty feelings, like entitlement, can lead to anxiety and depression. In short, although entitlement comes from emotional neglect and guilt comes from a feeling of not deserving, both entitlement and guilt come from a disconnect between a dream and the drive to make it happen.

Rising above guilt

Although guilt makes us feel rotten, it’s actually good for us. Guilt is a natural emotion and a natural stage in the process of getting to the “heirworthy” stage of inherited wealth. To work through one’s feeling of guilt, consider how you define success and how you separate happiness from wealth, and look to the future.

Richard Morris and Jayne Pearl write,

“…the Declaration of Independence did not guarantee the ‘purchase’, but the ‘pursuit’ of happiness.”

Michael Sommerfeldt, CEO and founder of Tiger 21, recalls a discussion at a group meeting, at which one member said, “I just want my kids to be happy.” Another member responded, “Do you have any idea how screwed up we are? It’s ten times easier to be successful than happy, why set the bar so high?”

Think about it. It’s easier to be successful than happy. One can be successful in accomplishments (job title, degree, etc.), but that may or may not create happiness.

Wealth is separate from happiness, just as health is separate from happiness. When people experience a major health crisis, such as loss of sight or limb, or they are diagnosed with a life threatening disease, after a period of time they will return to the same level of happiness they had before the health crisis. Wealth should be viewed the same way. Without it or separate from it, what would be your level of happiness?

Diminish guilt by looking at wealth as a blessing not a curse. Look at wealth from the perspective of opportunities. What opportunities has it provided that would not have been there otherwise? A blessing can be defined as a positive surprise. If you say you’re blessed by your job, what is it about your job that surprises you in a positive way? What makes your job a blessing? Similarly, what is it about your wealth that surprises you in a positive way? What makes it a blessing?

As Georgia Feiste states, you don’t have to play the anger-guilt game:

“When people recognize that they don’t have to play the guilt-anger game, they can stop pointing to themselves and/or others as being wrong. This stops the negative perpetuation of guilt and allows one to create a new script for freedom. Ask for what you want, and allow others to articulate their feelings, needs and wants as well. The key is to be honest with yourself while opening yourself up to others so that you might love and support them as well.”

Georgia Feiste continues, give yourself permission to live by the following:

“Just for today, I give myself and others the breathing space to feel, think and behave as we choose to feel, think and behave so that we might be all that we are. How might you turn from guilt to love today?”

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Questions to Ask Yourself:
Start by figuring out where your guilt about your wealth is coming from. Circle all that apply.

A. Because someone passed away for you to get it
B. Because you want to fit into society or with your friends
C. Because you fear the potential of losing the money
D. Because you feel a sense of entitlement and entitlement is perceived as a bad thing
E. Because you fear that you might lose control of something
F. Because it doesn’t feel right
G. Because you fear that you might do something wrong with the money
H. Because you fear you might do something with the money that the grantor wouldn’t have approved of
I. Because you fear you might do something with the money that other living family members won’t approve of

Next, read through the following list of questions. Answer those that elicit an emotional reaction when you read them or ones that stand out to you as, “that’s a good question!”

1. If you could do anything, without fear and without guilt, what would you do?
2. If you could do anything with the money, without fear or without guilt, what would you do?
3. If you could create your ideal relationship with those you love and have counted on for years, what would it look like?
4. How can you overcome what’s getting in your way of creating these relationships?
5. What would be a healthy perspective of the wealth for you to create or adopt?
6. What fear, tied to the wealth, do you need to overcome or let go of?
7. How can the wealth improve your relationships with your family?
8. How can the wealth improve your relationships with your friends?
9. How has the wealth made you grow personally?
10. How has the wealth blessed you in a surprisingly good way?
11. What are you thankful for?