The eldest daughter and the coming wealth transfer

Recently I read an article about "Eldest Daughter Syndrome" by Jennifer Woodruff. It was fascinating and sent me down a rabbit warren.

For many 'Eldest Daughters', responsibility starts early, helping from a young age and then conditioned into a sense of duty, managing family dynamics and smoothing conflicts. We've all heard of the 'sandwich generation', a term for those simultaneously caring for their own family and their parents/ageing family whilst juggling their careers, but rarely do we reflect on those who carry the lion's share of the load when someone is in need.

As we stare down the barrel of the greatest wealth transfer of all time, the scale is significant. In Australia, $5 trillion will be transferred intergenerationally. In New Zealand, the figure is more like $1 to $1.6 trillion by 2034, with 65% expected to pass to women, according to JB Were. More data is emerging to suggest the 'Eldest Daughter' is often in control of the family finances at the point of a wealth transfer.

They are also 50% more likely to shoulder the responsibility of managing the family estate, statistically compared to the eldest son or only child.

My goal here is not to point fingers, but to normalise the load that many are carrying. This can range from helping Mum and Dad declutter the family home, to acting as their Enduring Power of Attorney, organising and attending health appointments and managing their financial affairs. Here are some points I encourage all 'Eldest Daughters' (or anyone who finds themselves in the caregiving role) to reflect on.

You may be required to deal with a large sum of money for the first time in your life. Like a good 'scout', it's all about the planning.

Knowing that money for many can hold a lot of emotion from excitement to shame, it can also have the potential to change the trajectory of one’s life. Getting a grasp of what is coming down the track by starting the conversation early eliminates the surprise, which is half the battle. It gives you the opportunity of time to build your financial confidence in the lead-up and manage expectations of those around you. Talking to a financial adviser early can help take the emotion out of tough decisions and guide you through budgeting and long-term planning.

Oscillating is officially my new favourite word thanks to Dr Lucy Hone who recently visited the Wairarapa in support of the Autism Wairarapa Charitable Trust. Put simply, the idea is that when you are dealing with a tough situation, you need to oscillate in and out of it to recharge your batteries and build your energy to continue. This is particularly important for the Eldest Daughter, but also harder, as they are more likely to offer help than ask for it. Sharing the load and rotating responsibilities to avoid burnout is not a luxury, it’s a necessity.

The ideal first next step is a practical shift to call a family meeting, set a simple agenda (max of 3 to 5 items), assign key responsibilities, document intentions, decisions and timeframes, then engage with external advisers. The goal isn’t for the Eldest Daughter to handle it better, it’s to redesign it so they are not carrying it alone. If you are an only child, or there is no one you feel comfortable having a ‘safe’ family meeting with, this may be the point to engage with a professional adviser to create a plan that reduces the load and makes it more manageable.

And finally, if this makes you think ‘oh’, I need to pull my finger out and help a bit more, make the call and offer your assistance, chances are they won’t ask for help.