MARATHON
FINANCIAL STRATEGIES

Most people do not think of themselves as windfall recipients. But a windfall is simply a sum of money that arrives all at once, and that can take many forms. An inheritance. A business sale. Or perhaps a bonus.

Whether the sum is $50,000 or $5 million, what happens in the first 90 days after it arrives often matters more than the size of the number itself.

We have walked clients through enough of these moments to know that the patterns that emerge are remarkably consistent, regardless of the source or the size of the sum. And we are in a moment when these conversations are becoming more common among more families. Cerulli Associates projects that $124 trillion in assets will change hands through 2048, with more than $100 trillion flowing from Baby Boomers and the Silent Generation to their heirs.[1]

For many families, this is no longer a distant conversation.

What We See Most Often in Those Early Weeks

The patterns that emerge after a large sum arrives tend to be consistent regardless of where it came from:

- Lifestyle upgrades that happen faster than other factors are considered.
- Loans to family members are made under emotional pressure before any strategy is in place.
- Investment decisions can be made on a hot tip from anyone, from a brother-in-law to a podcaster.
- Money is spent on a vacation, a renovation, or a new car (often all three simultaneously).
- Nothing for too long. Complete paralysis because the number feels too large to touch.

That last one surprises people. But analysis paralysis is common, and the cost is real.

The Framework We Walk Clients Through

After years of watching these events unfold, a few things have proven consistently useful:

- **Secure before you decide.** The first step after receiving a windfall is to receive the funds without committing them to anything. Give yourself permission to simply breathe.
- **Get the right people in the room.** Consider working with a team of professionals before making any decisions. These conversations can help you start to create an overall strategy for the windfall.
- **Name the why.** What is this money actually for? Retirement? Helping the next generation with housing? A charitable legacy? Clients who can articulate a clear purpose for their windfall often are better equipped to make the dozens of smaller decisions that follow.
- **Build a spending permission slip.** One of the more useful things we do for clients who receive a large sum is to designate a small percentage, often 3 percent to 5 percent, explicitly for guilt-free enjoyment. Having a defined, bounded way to enjoy money can help with the psychological pressure that leads to larger impulsive decisions.
- **Think in decades, not months.** Having a longer timeline may help when managing investing, retirement and estate management issues.

A Note on Inherited IRAs

If your windfall includes an inherited IRA or 401(k), don't hesitate to get in touch with us promptly. The 10-year distribution rule introduced by the SECURE Act, clarified in regulations finalized in 2024, requires most non-spouse beneficiaries to fully distribute inherited retirement accounts within 10 years of the original owner's death. There are strategies to consider exploring before distributions begin.

One More Thing Worth Knowing

There is a well-documented behavioral finance phenomenon called the "house money effect," the tendency for people to treat unexpected money as fundamentally different from money they have earned, often leading to greater risk-taking and more impulsive spending.[2] The rational part of the brain knows that a dollar is a dollar regardless of its origin. But emotionally, windfall money often feels like bonus money, and it gets treated accordingly. Knowing that this tendency exists is often the first step toward getting ahead of it.

Perhaps most importantly, a large sum of money can become the foundation for what comes next and a story a family tells for generations about how it was handled thoughtfully.

The First Step Is a Plan

A windfall creates possibilities, but it also creates decisions. We've guided families through inheritances, business sales, retirement distributions, concentrated stock positions, and other life-changing financial events.

If a significant financial event is on your horizon, don't feel pressured to make immediate decisions. Start with a conversation.

We've helped clients navigate tax implications, develop investment strategies, coordinate estate planning decisions, and create a clear plan for using their wealth in ways that support their goals and values. Schedule a meeting and let's discuss how this opportunity fits into your broader financial plan.

Schedule a Conversation

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1. Cerulli.com, December 2024

2. PMC PubMed Central, April 2026

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