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## Liz Weston: Why you don't want to be an executor

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Liz Weston is a columnist for personal finance website NerdWallet.com. (NerdWallet via AP, file)

By

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*The Associated Press*

Being asked to be an executor is an honor you might want to pass up.

Settling an estate typically involves tracking down and appraising assets, paying bills and creditors, filing final tax returns and distributing whatever's left to the heirs. At best, the process is time-consuming. At worst, it takes hundreds of hours, exposes you to lawsuits and thrusts you into the middle of family fights.

Robert Braglia of New York, a certified financial planner, was executor of an estate where the woman disowned three of her four children and left most of her money to just one of her many grandchildren. That could have caused an uproar even if the family got along, which it didn't: Two of the woman's children were fighting over the woman's ashes before she actually died.

"Even without conflicts — which there always are — it is an enormous job," Braglia says.

Before you agree to take on this role, be clear on what's involved.

#### YOU COULD BE DOING IT FOR MANY MONTHS

The time involved in settling an estate varies enormously. A small estate with few debts might be distributed within six to 12 months. It may take years to finalize a large estate with contentious heirs, lots of creditors or assets that are difficult to value, such as a business or rare collectibles.

A survey by EstateExec, an online tool for executors, found the typical estate took about 16 months to settle and required 570 hours of effort. The largest estates, worth \$5 million or more, took 42 months and 1,167 hours to complete.

That doesn't necessarily mean the executor has to put in that many hours, says CFP Russ Weiss of Doylestown, Pennsylvania. An executor can use some of the estate's funds to hire an attorney and other help that could be more efficient than trying to figure everything out on their own.

"If you have other professionals involved — an attorney, a CPA, an investment person or wealth advisor — they're doing most of the heavy lifting," Weiss says. "Executors are like the quarterback in the administration of the estate."

Executors may also collect a fee, with the amount depending on state law or what's specified in the estate documents.

## YOU MIGHT HAVE A TOUGH TIME FINDING ASSETS

Even with help, executors should expect to spend many hours finding documents, inventorying assets and debts, arranging appraisals, communicating with financial institutions and government agencies, managing property and keeping careful records. If the estate includes a home, the house may have to be emptied of possessions and readied for sale.

The less organized the estate, the more time it may take to track down assets. EstateExec CEO Dan Stickel said his father, who died at 69, rented multiple storage sheds without telling his children where they were. Finding the various backyard

sheds was challenging enough, but then they had to sort through the dusty contents. Those included piles of newspapers, battered furniture and several bars of silver bullion hidden under a dirty tarp.

Even then, they missed something. The auction company Stickel hired to dispose of the rest of the sheds' contents found a box containing \$30,000 in savings bonds. Fortunately, the company returned the bonds to the family.

### YOU COULD BE SUED

Executors have a fiduciary duty to the beneficiaries, which means the executor is required to put the beneficiaries' interests first. People are typically advised to choose executors who are responsible, honest, diligent and impartial.

"It's an honor. If somebody asks you, it's to say, 'I trust you, and I trust you implicitly that you will handle my affairs in a way that's fair,'" Weiss says.

But the fiduciary duty comes with potential legal and financial consequences. Executors can be held personally responsible for mistakes and other problems. For example, one child may remove items from a parent's home that are bequeathed to another child. The heir whose items were taken could sue the executor for failing to secure the home.

Executors also may have to make judgment calls, such as whether to spend the estate's money to fix up a house for sale and if so, how much. Unhappy heirs can sue over those decisions, as well.

Given everything that can go wrong and the time commitment, people should think carefully about whether they really want the job before agreeing to

be an executor, says CFP Kate Gregory of Huntington Beach, California, who has settled both her mother's and her husband's estates.

Gregory says she would agree to serve again only if a family member asked, and only if there wasn't likely to be a lot of conflict among the beneficiaries. Even then, she would want to see the will or trust documents to ensure there aren't any unpleasant surprises that could cause discord. She also would insist that the documents name alternates in case she can't or won't serve. No one can be forced to be an executor, but Gregory says she would feel better about saying "yes" if she knew there was a plan should she later say "no."

"I want to make sure that I could resign," she says.

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