

What Should I Do With My Big Fat Inheritance?

The magazine's Ethicist columnist on the burdens of philanthropy — and more.



Credit...Illustration by Tomi Um

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When my father died, I inherited a large trust fund and sole ownership of a family business. I was young and woefully unprepared, so I put my inheritance on the back burner and lived my life as if I was financially “normal.” However, since the pandemic, my portfolio has hit a new high. I am utterly distraught. I feel that I should have never gotten so wealthy when people are suffering so much.

I’ve been seriously considering giving a large portion away, but the more I talk to people, the more I realize that to give away large sums of money responsibly and ethically turns my life into a job that I never wanted. I don’t want my father’s money to become my life, my career or the most significant thing about me, even though I know that I benefit from it. I have privileges with it, it gives me options and frankly I could not afford to live in a big city without it.

My questions are these: How much money is it ethical to keep, and how much would it be ethical to give away? What is the best way to decide who should receive the money? And how much time and responsibility and rewriting of my life do I owe this gift that often feels like a burden? Name Withheld

On the one hand, your father was entitled to leave these assets to you, and you were entitled to accept them. (Assuming, of course, that they weren’t acquired through

criminal means.) Maybe the tax code should have taken more of it from you: Many people think there's a moral case for steep taxes on intergenerational transfers of wealth, because it's a source of unfair inequality. Maybe taxes on capital gains should be higher: Many people think such revenue should be treated as regular income. If you supported such reforms, you'd have reason to back candidates who favored them. This one bequest, though, will make a *de minimis* difference to inequality in the world.

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On the other hand, having this money puts you in a position to do good, and there's something to the thought that luck of this kind (you didn't earn any of this money) places you under an obligation to give back. I understand that you don't want to devote your life to doing this. But giving money away just isn't that hard. You're not in some "Brewster's Millions" pickle.

There are many excellent philanthropic organizations in the world, with staffs and boards who focus on making positive change. I suppose you could also identify a foundation that has its own portfolio of philanthropic projects and see if you can add your gift to its endowment. That's what [Warren Buffett, with his rather sizable family business, did when he committed 30-odd billion dollars to the Gates Foundation](#). There are also groups — e.g., BBB Wise Giving Alliance, Charity Navigator, Charity Watch — that evaluate philanthropies, although smaller ones may not be on their radar. GiveWell, an organization associated with the effective-altruism movement, identifies charities it thinks could deliver "maximum impact" per dollar. Insecticide-treated bed nets, which prevent malaria, score high in its system.

Unless you're committed to utilitarianism, "maximum impact" — in lives saved or suffering averted — need not be your only guide. Ours is a richly variegated world, with many values and many things to value; it isn't as if all charitable giving must go to malaria prevention. You're not wasting your money if you want to donate to that performing arts center you love — or maybe it's a public radio station or a nonprofit legal-aid provider or a music program for children. You'll have helped make the world, or at least your community, a better and perhaps a more vibrant place. You may take a special interest in certain causes, owing to your own experiences. Taking a couple of days to consider some options isn't going to derail your life.

Speaking of which: Giving back doesn't require sacrificing your ability to keep living as you'd prefer in the place you prefer. (Remember, too, you can bequeath your estate — including, say, that apartment you couldn't otherwise afford — to worthwhile beneficiaries.) You say you feel distraught; let me urge another sentiment. "The

reaction of my family and me to our extraordinary good fortune is not guilt,” Buffett has said, “but rather gratitude.” You can free yourself from whatever part of your father’s legacy you find burdensome. But the time and thought it takes to make the necessary decisions should indeed be an expression not of guilt but of gratitude.