

Grief and money

4 costly mistakes grieving families make

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After losing someone, many families find themselves asset-rich but cash-poor. This imbalance may force them to sell valuable assets at inopportune times to cover funeral expenses or meet immediate financial obligations.

Grief is supposed to be about mourning, remembrance, and healing. Yet for many families, the death of a loved one unleashes not only sorrow but also a storm of financial missteps that can haunt them for years. From rushed property sales to bitter inheritance battles, the mistakes made in the heat of grief often cost families their peace, stability and legacy.

In the chaos after a burial, families often rush to divide property or settle debts without proper guidance.

Brian Muhwezi, who lost both parents at a young age, has spent much of his adult life fighting for the inheritance left in his name. "It is emotional, physical, psychological, and financial stress. I cannot fully settle at my job," he says.

His story is echoed by Ms Cathy Kiwumulo, who lost both parents within months. "Relatives quickly moved in to claim assets, sparking bitter disputes despite her family's knowledge of their parents' property," she recounts.

This tragic turn of events ignited a fierce struggle within the family.

"Now, family members and distant relatives are trying to claim what rightfully belongs to my siblings and me. For all the years we spent with our parents, knowing everything about their work and assets, it feels absurd that others are coming forward to assert ownership," she expresses with frustration.

For others, burials often become battlefields. Even funerals can ignite conflict. For instance, the tragic death of Masaka businessman John Bosco Ssenyonjo and his children in March this year led to a bitter burial dispute between his widow and in-laws. While the widow demanded burial at the family's private homestead, relatives insisted on ancestral grounds.

Such clashes reveal how unplanned succession and unclear wills can tear families apart at their most vulnerable moment.

Mr Richard Byarugaba, a financial, banking, and asset management specialist, highlights the pitfalls families encounter when managing assets post-loss.

He says one of the most significant mistakes is the attempt to divide property among children without proper guidance.

"It's crucial to involve your children in understanding the family's business early on," he advises. This proactive approach equips them with the knowledge needed to run and grow these assets.

He notes that professional services become essential for tasks that the deceased spouse used to handle. Families



In this vulnerable state of grief, families often rush into permanent decisions, leading to costly mistakes that could have been avoided. PHOTO/FILE

Property
'One of the most significant mistakes is the attempt to divide property among children without proper guidance.'

may need professionals like hire accountants, financial advisors, lawyers, or estate planners.

Citing examples like home maintenance and repairs that were once do-it-yourself projects, now require paid contractors.

When a loved one passes away, the emotional toll can be overwhelming for grieving families.

However, as Ms Elaine Alowo Matovu, the founder of Musizi Sustainable Business Institute (MSBI) where she advises African families and family-owned enterprises on governance, succession, and building resilient mul-

ti-generational systems grounded in values and stewardship, points out that grief can also lead to significant financial missteps. "Grief is not just emotional, it is decision-altering," she says.

In this vulnerable state, families often rush into permanent decisions, leading to costly mistakes that could have been avoided.

Rushed decision-making

Matovu notes that in the aftermath of loss, families feel immense pressure to resolve affairs quickly. "This urgency can result in hasty choices, like sell-

ing land, businesses, or shares without thoroughly assessing the long-term impacts," she elucidates.

Lack of liquidity planning

She notes that many families find themselves asset-rich but cash-poor. This imbalance, she explains, may force them to sell valuable assets at inopportune times to cover funeral expenses or meet immediate financial obligations.

Informal asset handling
She says accessing accounts without proper legal authority or distributing assets based on verbal agreements can lead to complications and disputes.

"This implies that families agreeing to settlements without full understanding," she notes.

Escalation of family conflicts

Matovu notes that discussions about assets can reawaken old emotional wounds and lead to disagreements if roles and expectations are not clearly defined.

Further noting that there are tendencies to over-trust external advisors.

"In their vulnerable emotional state, families may place undue trust in external advisors, making them susceptible to exploitation," Matovu explains.

The legal process after a death

Mr Alson Mukabire, an advocate, sheds light on the crucial steps families must take following the death of a loved one, highlighting the importance of timely action.

"One significant issue that often arises is the delay in processing letters of administration or grants of probate.

A letter of administration is a court-issued document that allows for the management of a deceased person's estate when there is no will; in which they are said to have died intestate.

On the other hand, a grant of probate is applicable when the deceased left behind a valid will. Unfortunately, grieving families frequently postpone these processes, which can lead to complications," Mukabire explains.

Cites an example in Uganda, where several people have inherited property of the deceased person without going through the proper legal channels, which strictly prohibit disputing a deceased person's estate without court authorisation.

"An administrator or executor must be appointed to ensure that property is managed and distributed according to the law," he says.

When it comes to property like land, which may involve legal titles, it is imperative to follow the correct protocols. Delaying the acquisition of letters of administration can expose the estate to potential harm, including fraud. Therefore, families should initiate this process promptly after the loss of their loved one.

Another common mistake that families make is overspending on burial ceremonies.

"While it is vital to honour the deceased with dignity, families often deplete their finances in the process, leaving themselves in difficult situations, especially if there are young children to care for," he notes. Although the grief can be overwhelming, it is essential to maintain a balance, ensuring the living are also taken care of.

Takenaways

- Accessing accounts without proper legal authority or distributing assets based on verbal agreements can lead to complications and disputes.
- In their vulnerable emotional state, families may place undue trust in external advisors, making them susceptible to exploitation.

Remember, debts do not disappear upon death.

"A common misconception is that a deceased person's liabilities die with them, but this is not the case. Heirs may still be responsible for settling any outstanding debts from the deceased's estate, and failing to address this can lead to financial challenges," Mukabire elucidates.

Mr Daniel Ayebare, the chairperson of the Uganda Financial Literacy Association (UFLA), highlights that one of the biggest mistakes families make is treating income as "a man's money" (akasente komusajja) or "a woman's money" (akasente kechikazi).

He explains that progressive families view income as household income, because a home is an economic unit. When couples treat earnings separately, planning becomes fragmented, leading to financial instability and missed opportunities.

In modern Uganda, both spouses often work; one may be a lawyer, another a banker, yet each tends to treat their salary as personal. This mindset undermines family planning.

Ayebare stresses that income should be pooled into a family financial plan, with allowances for personal needs but with the bulk directed toward shared goals such as building a home or investing in assets. This approach strengthens financial discipline and reduces the misuse of money.

Transition from tradition

Uganda is still shifting from subsistence-based family models to modern financial systems. Historically, wealth was tied to land and controlled by patriarchy.

Currently, with salaried jobs, families must intentionally restructure roles and adopt financial literacy practices. Yet many Ugandans, over 75 percent of employees, according to FinScope, still live on deficits, spending salaries before mid-month. This reflects a lingering subsistence mindset carried into corporate life.

Citing lessons for grieving families, for families left vulnerable by poor planning or loss, Ayebare advises a "ditch recovery process": accept the current position, increase income or reduce expenditure, and avoid repeating past mistakes.

Failure to create a will

He stresses the importance of wills to ensure a smooth transition of assets.

"Fear of writing wills often leaves wealth unprotected, creating disputes and losses for the next generation," Ayebare says, noting that families must overcome cultural reluctance and embrace structured succession planning.

The common mistakes to avoid such as; living hand-to-mouth without savings, excessive consumer debt, failure to plan for wealth transfer and treating income as individual rather than household.