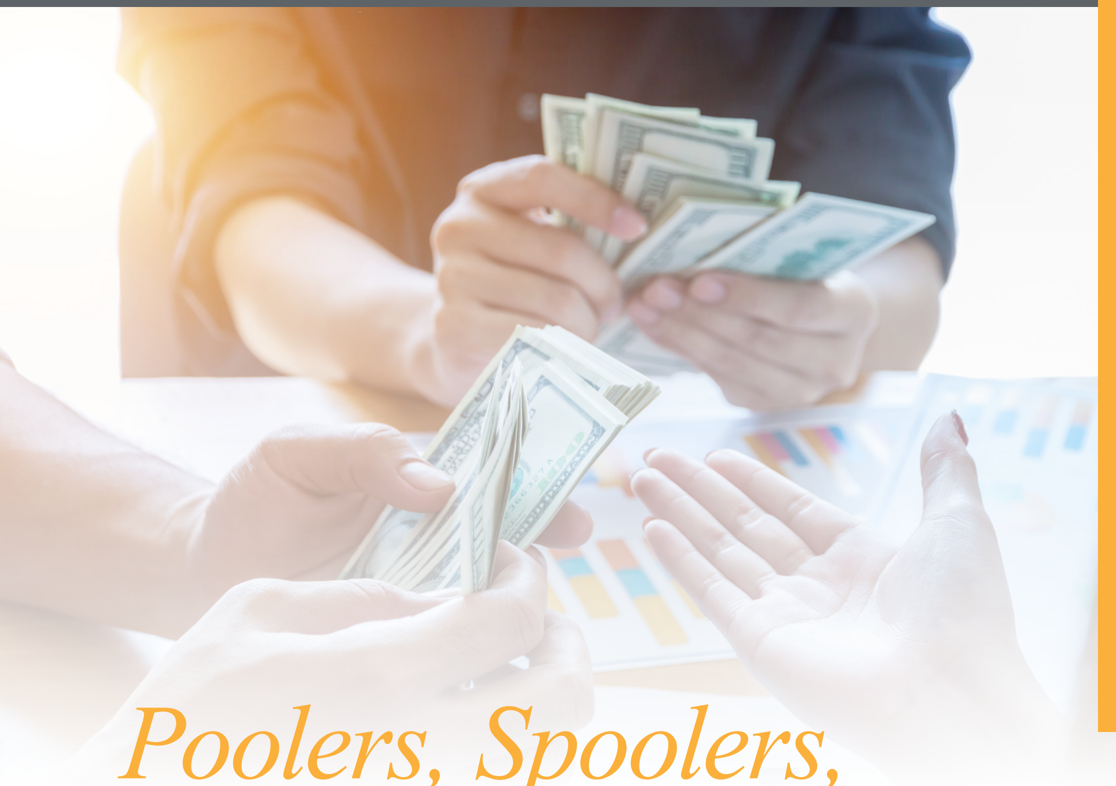
September 2025 | Volume 15, Issue 2

Sentinel Trust
Together, families prosper℠

OnWatch



In This Issue:

Poolers, Spoolers, and Splitters: COMBINING FAMILY FINANCES

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Families handle money in different ways. Some put everything together, some keep it entirely separate, and many do a mix of both. Three common approaches stand out: Poolers, Spoolers, and Splitters. Each comes with its own advantages and challenges. These questions often surface—or become more urgent—when partners have very different incomes. A large gap in earnings can raise tough conversations about fairness, independence, and control, especially at key life moments like moving in together, getting married, or starting a family. How you choose to combine (or not combine) your money shapes how it's managed day-to-day and, in some cases, how assets will eventually be passed on.

> “The goal isn’t to fit neatly into a label—it’s to find what **works best for your circumstances.**”

Poolers: All In Together

Poolers combine income, assets, and expenses into one pot. Everyone shares and makes decisions as a single unit, regardless of who earns or spends the money. Pooling can make life simpler: one set of accounts, one set of bills, and fewer conversations about who pays what. It works especially well when both partners share the same long-term goals for saving and spending. The trade-off is that disagreements can be harder to resolve when everything is shared. Pooling can also blur ownership, since assets may become “co-mingled” for inheritance or creditor purposes.

Spoolers: Yours, Mine, and Ours

Spoolers keep most money separate but contribute a fixed amount—or percentage of income—to a joint account for household expenses. The rest stays in individual accounts. This setup provides structure: shared costs are covered, while each person maintains control over the remainder of their income. It’s common for couples who want a clearer balance between independence and teamwork. Spooling works best with clear agreements on what counts as a joint expense and regular check-ins to ensure contributions still feel fair.

Splitters: Separate but Coordinated

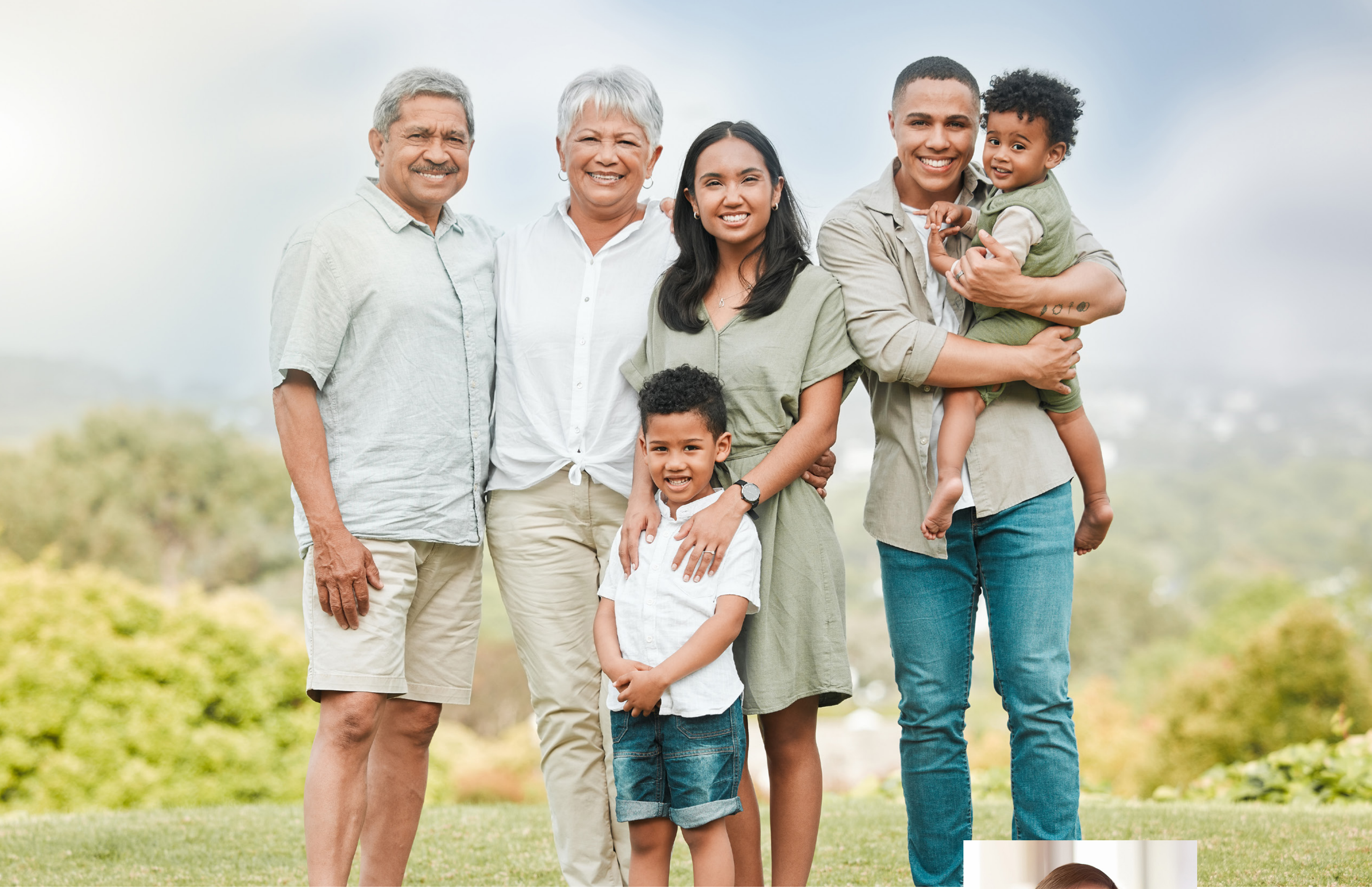
Splitters take independence further. Each person manages their own money, owns their own assets, and pays their own bills. Shared costs are handled more like “rent” or reimbursements than joint ownership. For example, one partner might own the house and cover the mortgage, while the other contributes a rent-like payment toward household expenses. The owner benefits from property growth but also carries all responsibility for the debt tied to it. This model offers maximum clarity and is often chosen when individuals want to keep ownership lines clean—for estate planning, tax purposes, or to avoid disputes later.

Real Life: Mixing and Matching

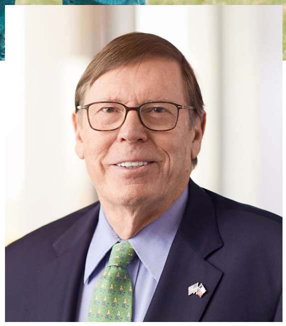
Few families stick to one approach forever. A couple might begin as Splitters, gradually Spool more as they build a life together, and eventually transition into Pooling once trust and shared goals deepen. The goal isn’t to fit neatly into a label—it’s to find what works best for your circumstances. Here are a few helpful questions to ask:

- Am I comfortable sharing all income and expenses?
- Do I prefer keeping some independence while still covering shared costs?
- Do I want absolute clarity over ownership, even if it means more separation?
- Does our setup reflect our goals and values?
- Have we built a financial system that meets these needs and is still simple enough to manage day-to-day?

Revisiting these questions, especially during major life transitions like marriage, the birth of a child, or retirement, can reduce conflict, build trust, and keep everyone on the same page.



Bridging Generations IN FAMILIES AND BUSINESSES



Robert J. Sweeney, CPA, CFP®
Of Counsel
Shareholder

In both our professional and personal lives, we interact with multiple generations. Understanding how each group sees the world can help families and businesses work more effectively together, particularly when leadership and ownership are shared across age groups.

Defining the Generations

Generations are typically defined in 15–20 year spans, with today's workforce and families most often spanning:

Baby Boomers	Generation X	Generation Y / Millennials	Generation Z	Generation Alpha
(1946–1964) *now ages 61–79*	(1965–1980) *ages 45–60*	(1981–1996) *ages 29–44*	(1997–2012) *ages 13–28*	(2013–2025) *the youngest, still coming of age*

These labels are imperfect. Within any group there is wide variation, shaped by upbringing, community, and personal values. Still, recognizing broad patterns can make it easier to anticipate differences in communication, work styles, and decision-making.

Generational Perspectives in Work and Family

- Gen X grew up in an analog world and adapted to digital. They often balance pragmatism with independence, valuing flexibility and directness.
- Millennials came of age during globalization and rapid tech adoption. They often seek alignment between their work and personal values, and may prioritize flexibility or collaboration.
- Gen Z, the first fully digital generation, is still shaping its identity. Early signs point to adaptability, multitasking, and an expectation of rapid change.

Again, these are not boxes but tendencies. The key is not whether one generation is “better” but how they interact.

Why It Matters: Family Business and Succession

Generational dynamics are especially important in family-owned enterprises. Studies show that while about 30% of businesses transition successfully from first to second generation, only 12% make it to the third. Why? Partly because each generation sees leadership differently. What feels like stability to one group may look like rigidity to another.

Challenges often include:

- Different leadership expectations – founders may prize control, while later generations may emphasize collaboration.
- Branching family structures – siblings or cousins with varied experiences may have conflicting views on who should lead.
- Evolving values – younger members may seek purpose and flexibility alongside financial results.

Recognizing these differences early can prevent misunderstandings.

A Practical Tool: The Generational Family Meeting

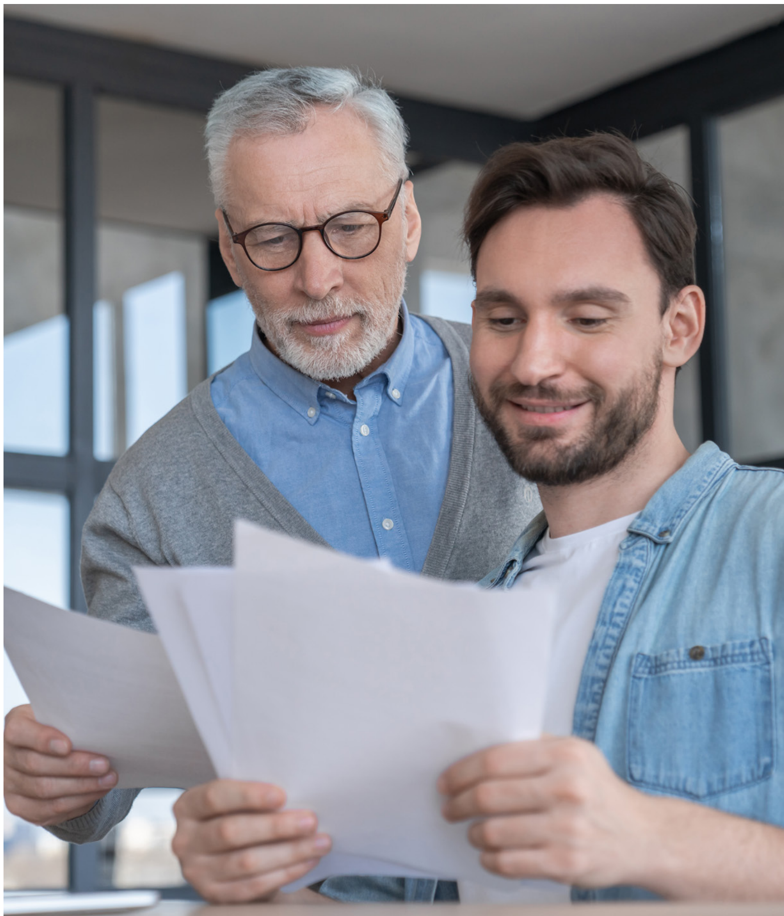
One way to bridge these gaps is to hold structured family meetings that intentionally surface generational perspectives. A well-run session might include:

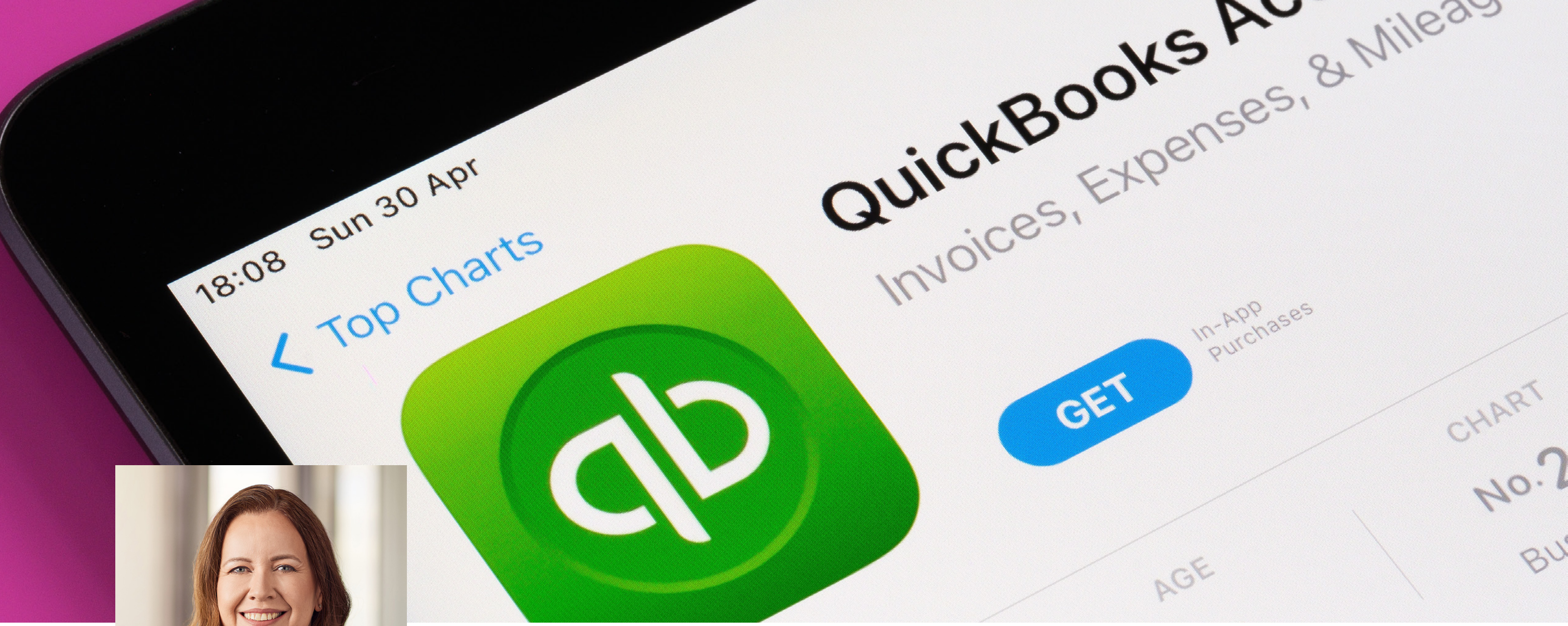
- Shared storytelling – each generation describes what shaped its worldview.
- Values mapping – identifying the family’s enduring values, then discussing how each generation interprets them.
- Decision frameworks – agreeing on how leadership and ownership decisions will be made, rather than leaving it to assumptions.

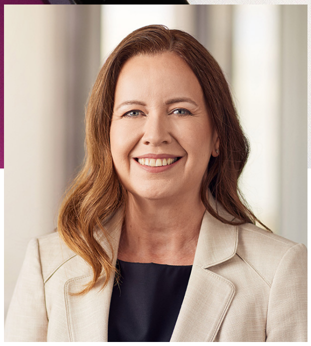
The aim isn’t to erase differences, but to use them constructively. For example, younger generations may introduce digital innovation, while older generations contribute long-term perspective and resilience.

Final Thought

Generational awareness is not about labeling or dividing. It is about curiosity over assumption. Families and businesses that embrace this mindset are better equipped to manage transitions, resolve conflict, and harness the strengths of every generation at the table. ■







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When Do You Need QUICKBOOKS?

As financial lives grow more complex, spanning businesses, real estate, mineral interests, and investment entities, the tools you choose for accounting and reporting become increasingly important. While modern financial reporting platforms have reduced the need for manual bookkeeping, QuickBooks still plays a useful role in certain situations.

Strategic Uses of QuickBooks

QuickBooks is best known as the go-to software for small and mid-sized businesses, but its utility extends to wealth structures where specialized accounting is required. Situations where QuickBooks may be helpful include:

- Operating Businesses: If you run a company, process payroll, issue invoices, and pay bills, QuickBooks provides a single platform to handle these day-to-day activities efficiently.
- Accrual Accounting Requirements: Most individuals use cash basis accounting for IRS reporting, recognizing income and expenses when they occur. However, accrual accounting is required for businesses with large inventories, significant fixed assets, or certain regulatory obligations. QuickBooks supports this more complex method of tracking.
- Accrual Accounting for Tax Advantages: Even when not required, accrual accounting can reduce taxes. For example, spreading the cost of equipment, buildings, or natural resources over time may provide deductions that benefit real estate ventures, ranches, or mineral portfolios.
- Non-Pro-Rata Ownership Structures: Many LLCs and partnerships distribute cash based on ownership percentages. But when contributions are unequal—whether from capital, sweat equity, or other arrangements—QuickBooks can track the shifting ownership percentages over time and produce the data accountants need to prepare K-1s.

When QuickBooks May Not Be Necessary

In the past, QuickBooks was often used to track multiple businesses, trusts, and investments spread across institutions. Today, integrated financial reporting systems make it possible to consolidate nearly all assets and liabilities in one place. These platforms can deliver transaction-level reporting directly to accountants, minimizing duplicate data entry and reducing the risk of human error.

Bottom Line

QuickBooks remains a versatile tool, especially for business operations, specialized accounting needs, and entities with complex ownership structures. But for individuals and families with diversified assets and consolidated reporting platforms, it may no longer be necessary for every entity. The key is to evaluate whether QuickBooks adds clarity and compliance in your specific situation—or whether modern reporting systems do. ■

Sentinel Trust Company is a family-owned, multi-family office focusing on the unique needs of affluent families and their closely held companies and foundations. Sentinel Trust provides advice on investment, tax, and estate strategies, serves as corporate trustee, and provides lifestyle services with a personal touch.

Together, families prosper SM

Founded in 1997 as the successor to two established, investment-focused single family offices, Sentinel Trust offers the stability of an institutional firm, the entrepreneurial spirit of a young firm, the personal feel of a family office, and the in-house technical skills of independent planning and investment management firms.

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