

Lessons in Estate Planning from *Rain Man*

Rain Man is one of the most iconic American movies of the 1980s. Starring Tom Cruise and Dustin Hoffman, it won four Academy Awards, two Golden Globe Awards, and was the highest-grossing film of 1988.

Although secondary to the main plot, several estate planning threads run through *Rain Man*, including those related to trusts, beneficiaries, and how to plan for children who have very different personalities and needs.

Two Brothers and an Inheritance

Charlie Babbitt (Cruise), the estranged son of a millionaire, is dismayed to learn that his late father, Sanford Babbitt, left him only a '49 Buick Roadmaster and some rose bushes. The rest of his father's \$3 million estate was put in a trust for the benefit of a mystery person.

That person turns out to be Raymond Babbitt (Hoffman), Charlie's long-lost, autistic-savant brother who is institutionalized at a facility for people with developmental disabilities. The trustee of the trust, Dr. Bruner, is the director of the facility and Raymond's doctor.

Charlie tries to convince Dr. Bruner that he is entitled to half the money in the trust. When that strategy fails, Charlie takes Raymond out of the facility without permission in an effort to use him as a bargaining chip.

On a weeklong road trip from Cincinnati to Charlie's home in Los Angeles, Charlie bonds with his quirky brother and has a change of heart. Upon arriving in Los Angeles, Charlie finds that he is more interested in caring for Raymond than getting the money and gives up his fight for the inheritance.

Estate Planning Issues and Lessons

For parents, ensuring that children are provided for in an estate plan is top of mind, but estate planning is not one-size-fits-all. What makes sense for one child may not be suitable for another.

This is one lesson we can learn from Sanford Babbitt and the different treatment his sons receive in his estate plan: you are under no legal obligation to provide equally for your children. Indeed, equal treatment may not be in their best interests.

When a Child Cannot Handle Their Inheritance

Both Charlie and Raymond get different inheritances, both in what they receive and in whether they receive it outright or in trust, motivated by different factors.

We learn in the movie that Charlie spent time in jail and he and his father had a falling out. Reading between the lines, it seems that Sanford viewed Charlie as too immature to handle a large inheritance. He may have thought, as many parents do in his situation, that a large inheritance would only further enable Charlie to follow the wrong path.

Raymond's neurodivergent condition requires professional care in an institutional setting. This is clearly why Sanford placed money for him in a trust and named a doctor as trustee who would ensure his special needs were met for the rest of his life.

We are not sure what type of trust Sanford created for Raymond or what special instructions (if any) were imposed on the trustee. In real life, the trust may have been structured as a special needs trust, which can benefit a disabled individual without jeopardizing their eligibility for government assistance.

Sharing Information Before Death Can Reduce Conflicts

While Sanford probably could not have predicted that Charlie would find Raymond and hold him for ransom, he could reasonably have anticipated, based on Charlie's history, that Charlie would go looking for the money and that trouble would follow. He could have avoided trouble by sharing his inheritance plans with Charlie before he died. Instead, the news came as a total shock to Charlie and might have pushed him to act irrationally.

Likewise, Charlie's surprise at learning about a brother he did not know existed set the stage for dramatics befitting a Hollywood blockbuster. In hindsight, things worked out between the Babbitt brothers. In reality, most parents would want to avoid such theatrics.

Parents have reasons for keeping personal information from their children. However, secrecy should be weighed against the explosive power of revelation, especially if the parents will no longer be around to explain the motivation behind their actions.

Using an Estate Plan to Bring Family Together

Careful estate planning can not only help stave off family conflicts but also strengthen familial bonds. Whether a child has a disability or a track record of worrisome behavior, or the parents simply want to instill their values in their children, a trust can have provisions that guide beneficiaries toward a specific desired outcome or deter bad behaviors.

Instead of cutting Charlie out of the trust, for example, Sanford could have structured the trust to benefit both of his sons and demanded that Charlie only receive distributions if he helped to care for Raymond. Becoming active in Raymond's life could have incentivized Charlie to take a more mature course of action while bringing the brothers together.

Rain Man has a happy ending, with Charlie returning Raymond to Dr. Bruner and promising to visit him. But happy endings are not nearly as common in life as they are in Hollywood, and this happy ending was mostly accidental. Imagine the drama that may have been avoided if Sanford had stated that Charlie could benefit from the trust if he just spent time with his brother, got to know him, and looked after him.

Write Your Legacy Script with Help from an Estate Planning Attorney

Rain Man won Academy Awards for Best Original Screenplay, Best Actor, and Best Director, showing the magic that can result when all the elements of a movie come together.

Bringing a successful estate plan to fruition, like making a successful movie, requires a collective effort. If you are the author of your legacy script and the star of your life's movie, then think of us as the director, working behind the scenes to interpret the script and maintain the creative vision throughout the process, from preproduction meetings to the final edit. To create or update your estate plan, please get in touch with us to schedule a meeting.