

# HOW DO I RESPECTFULLY DISCUSS FINANCES WITH MY AGING PARENTS?

Caring for your aging parents is something you hope you can handle when the time comes, but it's the last thing you want to think about. Whether the time is now or somewhere down the road, there are steps you can take to make your life (and theirs) a little easier. Some people live their entire lives with little or no assistance from family and friends, but Americans are living longer than ever before. It's always better to be prepared.

## Start the conversation.

The first step you need to take is talking to your parents. Start the conversation early. Empathize with their thoughts and feelings. To the extent possible, put yourself in their shoes and honor and respect them. Allow them to be part of the decision-making process. Also, include other family members when possible. Find out what their needs and wishes are. In some cases, however, they may be unwilling or unable to talk about their future. This can happen for a number of reasons, including:

- Incapacity;
- Fear of becoming dependent;
- Resentment toward you for interfering; and/or
- Reluctance to burden you with their problems.

If such is the case with your parents, you may need to do as much planning as you can without them. If their safety or health is in danger, however, you may need to step in as caregiver. The bottom line is you need to have a plan. If you're nervous about talking to your parents, make a list of topics that you need to discuss. That way, you'll be less likely to forget anything. Here are some things that you may need to talk about:

- Long-term care insurance: Do they have it? If not, should they buy it?
- Living arrangements: Can they still live alone, or is it time to explore other options?
- Medical care decisions: What are their wishes, and who will carry them out? Do they have health care directives?
- Financial planning: How can you protect their assets? Do they have a power of attorney?
- Estate planning: Do they have all of the necessary documents (e.g., wills, trusts)?
- Expectations: What do you expect from your parents, and what do they expect from you?

## Prepare a personal data record.

Once you've opened the lines of communication, your next step is to prepare a personal data record. This document lists information you might need in case your parents become incapacitated or die. Here's some information that should be included:

- Financial information: Bank accounts, investment accounts, real estate holdings;
- Legal information: Wills, durable power of attorneys, health-care directives;
- Funeral and burial plans: Prepayment information, final wishes;
- Medical information: Health-care providers, medication, medical history;
- Insurance information: Policy numbers, company names;
- Advisor information: Names and phone numbers of any professional service providers; and
- Location of other important records: Keys to safe-deposit boxes, real estate deeds and, as applicable, location of passwords.

Be sure to write down the location of documents and any relevant account numbers. It's a good idea to make copies of all of the documents you've gathered and keep them in a safe place. This is especially important if you live far away, because you'll want the information readily available in the event of an emergency.

## Where will your parents live?

If your parents are like many older folks, where they live will depend on how healthy they are. As your parents grow older, their health may deteriorate so much that they can no longer live on their own. At this point, you may need to find them in-home health care or health care within a retirement community or nursing home. Or, you may insist that they come to live with you. If money is an issue, moving in with you may be the best (or only) option, but you'll want to give this decision serious thought. This decision will impact your entire family, so talk about it as a family first. A lot of help is out there, including friends and extended family. Don't be afraid to ask.

## Evaluate your parents' abilities.

If you're concerned about your parents' mental or physical capabilities, ask their doctor(s) to recommend a facility for a geriatric assessment. These assessments can be done at hospitals or clinics. The evaluation determines your parents' capabilities for day-to-day activities (e.g., driving, cooking, housework, personal hygiene, taking medications, making phone calls). The facility can then refer you and your parents to organizations that provide support.

If you can't be there to care for your parents, or if you just need some guidance to oversee your parents' care, a geriatric care manager (GCM) can also help. Typically, GCMs are nurses or social workers with experience in geriatric care. They can assess your parents' ability to live on their own, coordinate round-the-clock care if necessary or recommend home health care and other agencies that can help your parents remain independent.

## Evaluate your own needs and abilities.

Establish family members' roles under present circumstances. What is each person's physical health, location to the parent(s), financial resources or kind of relationship with the parent(s)? What is each person's personality type and is each family member willing to step into an agreed-upon role?

## Get support and advice.

Don't try to care for your parents alone. Many local and national caregiver support groups and community services are available to help you cope with caring for your aging parents. If you don't know where to find help, contact your state's department of eldercare services. Or, call (800) 677-1116 to reach the Eldercare Locator, an information and referral service sponsored by the federal government that can direct you to resources available nationally or in your area. Some of the services available in your community may include:

- Caregiver support groups and training;
- Adult day care;
- Respite care;
- Guidelines on how to choose a nursing home; and/or
- Free or low-cost legal advice.

Once you've gathered all of the necessary information, you may find some gaps. Perhaps your mother doesn't have a health-care directive or her will is outdated. You may wish to consult an attorney or other financial professional whose advice both you and your parents can trust.

## Be aware of elder financial abuse.

Elder financial abuse is a crime that deprives older adults of their resources and ultimately their independence. This type of abuse can take many forms including: forging an older person's signature, taking money or property, telemarketing scams or using an older person's

property or possessions without permission. What are the warning signs of financial abuse? There are certain red flags you can watch for:

- Unusual activity in your parent's bank accounts, including large, frequent or unexplained withdrawals;
- New "best friends" who heavily influence your parents' financial decisions and oftentimes attempt to isolate them from other people;
- Sudden non-sufficient funds activity or unpaid bills;
- Belongings or property are missing;
- Legal documents, such as powers of attorney, which your parent(s) didn't understand at the time he or she signed them;
- Suspicious signatures on checks or outright forgery; and
- A caregiver expresses excessive interest in the amount of money being spent on your parent(s).

Elder financial abuse can be difficult to detect, particularly if your parent(s) lives alone with little assistance. Create a safety system by appointing a durable power of attorney and designate a family member to monitor bank account activity for parents through mobile apps and electronic financial statements. Set up text alert notifications for large transactions including wire requests may help to mitigate fraud risk. If you suspect one or both of your parents are victims of financial abuse, there are steps you can take to help protect them. First, report the financial abuse to their bank and enlist their banker's help in stopping it and preventing its recurrence. Contact adult protective services in your parents' town or state for help (In Oklahoma, go to <https://apspublic.okdhs.org> or call (800) 522-3511). If fraud is involved, file a report with the local police department.

## Monitor.

Don't forget to periodically reassess to determine if prior conversations were appropriately implemented and adhered to and make adjustments to current circumstances as needed.