

Discuss Parents' Financial Future Before Crisis Occurs

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Talking with your aging parents about financial matters can be an easy task to put off. In fact, a study shows that two-thirds of all families avoid discussing financial topics until a crisis occurs.

But it is far easier to talk about finances when there isn't an emergency to manage. Just as difficult as starting the conversation is knowing what are the most important issues and what are the right questions to ask. This is especially true in situations where it may not be easy for your parents to ask you for your help or they may not be comfortable discussing their finances with you. Here are some tips to start the conversation.

Gather information. This kind of conversation can often be started when a friend or relative faces a similar situation. At first, start with general topics, such as who will handle their finances if they become ill? Do they talk about unpaid bills, bank overdrafts or worry about how to pay medical or other bills? If your parents share financial responsibilities, can each spouse pick up the others' tasks if an emergency should arise?

If your parents aren't nearby, don't just rely on phone conversations. Visit. Observe how they are currently managing their household? Are things neatly organized and under control, or chaotic and uncharacteristic of them?

These might be clues to areas where you can help. Don't overwhelm them with questions all at once, but set up a regular schedule to cover topics individually so neither you nor your parents become overwhelmed.

Are they open to a more detailed discussion? Ask if they have a current will or other estate plans in place. Who are their advisers for legal and financial matters and how can you reach them if needed? In addition, ask about any bank accounts, insurance or other investments. If there are other siblings involved, consider asking your

parents for permission to have an informational family meeting to review their plans and understand their wishes. Invite your parents' advisers to participate in the family meeting in person or over the phone.

Ways to help. Do your parents regularly balance their checking account? Are deposits and payments routinely tracked? If needed, offer to help balance and sort out statements.

If bills are piling up, do they need assistance with bill payments? If you can't share a checkbook because of distance, can you get their bills and pay them online? Many bills can be set up to be automatically paid through their checking account.

If there are financial problems, help find a reputable financial planner who can meet with your parents to set up a budget. If possible, go with your parents to meet their advisers.

If they don't want your help, another option might be to hire a daily money manager to pay their bills, balance the checkbook and organize records. DMMs generally charge \$25 to \$75 an hour for a few hours of help each month. Visit the American Association of Daily Money Managers at admin.com to find one in your parents' area.

Records. Find out where all legal and financial documents are located and how to access them. Are they up to date and do they still reflect your parents' wishes? If papers are in a safety deposit box, access to the key is not enough. If necessary, ask your parents to add your name to the box and other accounts so you can act in case of emergency.

No one can predict if or when your parents will need your help to manage their finances. Each parent and situation is different. Ask your financial adviser for advice on how you can support your parents' efforts to remain independent well into their golden years.

Tom McGee is the managing director of Harris Private Bank in Naperville. He may be reached at tom.mcgee@harrisbank.com