



Financial Issues Clients Need to Address with Aging Parents

A survey by the National Endowment for Financial Education found that 70% of adults say they have difficulty talking to their families about who will make financial decisions for an aging family member who loses the ability to safely handle their money. Although it is a difficult topic to address, not doing so can create major problems for your clients and their families.

As their trusted financial advisor you are in a unique position of being able to broach these topics as part of the planning process. To make the conversation more comfortable for the parents make sure you keep them in control, by stressing how this conversation is about executing on their wishes.

Here is a list of questions you should focus on answering during the conversation:

Who are all the players?

Create a contact list for all of people the parents are involved with including but not limited to: doctors, lawyers, accountant, broker, tax preparer, insurance agents, clergy and close friends. Also make a list of other service providers such as house cleaners, lawn service, utility companies, and dog walkers.

Where are all the personal documents housed?

Locate and make copies of parents: social security cards, marriage license, military discharge papers, Will, Trust documents, copies of past tax returns etc. Also be sure to make a list of where everything is housed including safe deposit boxes, safe combinations, and passwords for online accounts.

Who is the medical power of attorney?

Do they have a living will and a medical power of attorney that describes their medical choices/wishes? Also make a copy of their medical history, drug allergies, past surgeries, and medication list.

What are their "end of life" wishes?

Make sure to ask questions about their wishes regarding organ and body donations and funeral instructions. If they made arrangements already get a copy of the agreement with the funeral home. Keep in mind that parents may have differing views on this topic and each should be documented.

Who is the Power of Attorney?

Have they named a power of attorney in a document? If yes, make sure you have a copy. If not they need to decide who will make financial decisions if they become incapacitated.

What are the sources of income and debt?

Make a list of all income sources such as pensions, social security, retirement accounts 401ks, and investments. Then make a list of all the debt including mortgage, credit cards, medical bills, cars etc..

Where are the financial accounts?

Make a list of all the banks and brokerage accounts they use such as: savings, checking, stocks, bonds, mutual funds, IRAs, etc. along with contact information. Also make a list of all of their credit and charge cards including contact information and card numbers.

What kind of insurance do they have?

Make a list of the insurance policies they have (life, long-term care, home, auto, Medicare, etc.) including the policy numbers.

What property do they have?

Make a list of the real estate, vehicles or other properties they own, and where they keep the deeds and titles.

Although it is difficult for any of us to face the possibility of dependency, disability, or incapacity, not only of our aging parents but also for ourselves, planning ahead is the best protection. Planning can help families avoid disagreements over care and finances and help alleviate the stress of making difficult choices in crisis situations.

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