

Have "The Talk" With Your Elders

Too often, adult children don't know much about their parents' finances. The typical reason they cite for their lack of knowledge is reluctance to "pry" for fear of appearing too eager for an inheritance.

Ideally, a dialogue about financial and estate planning should begin when the elders are still healthy and fully competent, but unfortunately many families don't discuss these matters until a crisis hits, which is the worst time to have to make important decisions.

As you begin this dialogue with your elders, emphasize that your motives are to be sure they remain healthy and financially secure, and that you do not intend to start running their lives. Aging is difficult enough for seniors, and you don't want them to feel they are losing either their privacy or control over their own destiny. To the extent they are able, elders should continue to be involved in decision-making: your objective should be to assist them in the least intrusive way possible.

Here are some of the more important points to discuss with elderly parents:

Do you have a will? Trust? Power of attorney? Health care directive?

Who have you named as executor/trustee/etc.?

Do you have life insurance policies? Long-term care insurance? What is the coverage? Where are the policies? Have you reviewed the beneficiary designations recently?

Where are your legal documents and other important papers located? If documents are in a safe deposit box, where is it? Where is the key? Who can access the box if you can't do so yourself?

Who is your attorney? Accountant? Insurance agent? Financial adviser?

Do you have a list of all your investments and bank accounts? Document the names of each institution, the registration (ownership) of each account, and all account numbers.

Are you collecting pension income? Is there a death benefit or survivor benefit? What is the contact information?

If you uncover problems, resist the urge to jump in to fix them all at once, unless the situation is so serious that immediate intervention is essential for health or safety. Instead, help your parents prioritize the issues and identify the resources and people who can help. Avoid being critical or judgmental.

In some families with more than one adult child, one of them might be the logical person to take charge of the situation because of geographic convenience or competence, but care must be taken to avoid offending siblings. Help your elders assign areas of responsibility: for example, one of you can monitor the finances, and another can take charge of health and medical issues.

Encourage your elders to open lines of communication between you and their professional advisors, so that when the need eventually arises for you to intervene, all of you will already be familiar with the situation and one another.

If you don't live nearby, and therefore might not be familiar with the resources available in their area, it might be helpful to seek professional advice to facilitate the process. Contact the department of elder services in your elder's town and inquire about their resources. They might have elder care specialists on staff who are trained to help families share essential information, identify problem areas, and assist with finding solutions. The National Association of Professional Geriatric Care Managers (520-881-8008, www.caremanager.org) may be able to help you locate the service providers you need.

Many families are not accustomed to such openness and for them these kinds of conversations might be difficult to initiate. If everyone can remember to be patient, sensitive and respectful throughout the process, you should all be rewarded with more peace of mind.