Talking To Your Parents While There is Still Time

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Many clients in their 50's and 60's are increasingly worried about the finances of their aging parents. This is especially true when it is difficult to predict interest income on investments. They often ask: 'How do I talk to them about their care and their finances?'

This topic raises many sensitive family dynamics including the adult child who is uncomfortable raising the topic with their parents and parents who are in denial or not comfortable discussing these personal care and financial issues with their children.

Parents' concerns can include a fear of losing control of their money, believing it is a private matter or a concern the children may take advantage of the situation or lose their motivation to work or that they are too proud to admit there isn't any meaningful amount of money.

While some of these concerns may be valid there are tremendous benefits to having this discussion as much as it might be uncomfortable for adult children to initiate the discussion.

These benefits can include saving taxes through proper planning, spending, gifting, and estate planning. There can be less stress by allowing children to assist parents or by providing an 'early inheritance' for adult children who are in financial need.

You can also save time and reduce future stress by ensuring that the proper documents, such as Wills, Powers of Attorney over health care and property are up to date and where they are located. A discussion about the parent's wishes, in terms of their intentions, will also help clarify the terms of their final estate.

Another benefit for this discussion is to understand their current and future housing needs as they age. This will allow for some planning such as going on waiting lists for residences or care facilities of their choice. This is also important given current real estate values and any changes to those values.

Federal and Provincial governments have various housing assistance programs for seniors - especially if they need to spend money to make the home more accessible as their health changes. One source of good information is the **Federal Government Seniors Programs website.** [1]

The first step is to start a conversation. Perhaps telling a story about another family in similar circumstances and asking the parents what they would have done or think should have happened is a good way to break the ice. Involve the parents as much as possible, respecting their boundaries.

Another challenge is what role does each sibling play? The reality is that one child usually ends up taking most of the responsibility for coordinating the parents' personal care and financial affairs.

Every family is different and as a result there is no fixed way to have these discussions with aging parents. What is crucial is that the conversation happens before it is too late. Unfortunately, life often doesn't give us lots of warning. While you and your parents are both physically and mentally able to have some of these discussions, now is the only reasonable time to get it done.

Call our office today to [2] help facilitate a discussion with your parents or your children.

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